RUAF - FROM SEED TO TABLE PROGRAMME (FStT)

SECOND REGIONAL STAFF TRAINING AND PLANNING WORKSHOP

18th – 24th May 2009
The Tamarind Tree Hotel, Minuwangoda, Sri Lanka

CONTENT

RUAF-From Seed to Table Programme

Second Regional Staff training and Planning Workshop

When: 18th – 24th May 09
Where: Tamarind Hotel, Minuwangoda, Sri Lanka

PARTICIPANTS

- Local FStT members
- Regional RUAF team
- Invited guests (first day)

AIMS OF THE WORKSHOP

At the end of this workshop the participants will:

a. Have exchanged experiences gained in the start-up and diagnosis phases so far
b. Be able to prepare a business plan for the MoPO
c. Be able to prepare a Urban Producers Field School regarding the technical and organisational aspects of the MoPO
d. Be able to make an analysis of the strong and weak points of local urban producers groups/organizations and design a plan of activities to strengthen these organisations
e. Be able to apply revolving funds (rather than distribution of free gifts) and to promote group savings.
f. Be able to plan and budget the (smart) objectives and activities to be implemented in the FStT innovation project
g. Be able to apply process monitoring and outcome mapping and to organise/guide impact monitoring
h. Have made a work plan for the next three months (for local teams)
i. Have reflected on essential facilitator attitudes and skills

GUIDELINE STEP 3.1: PROGRAMME OF THE WORKSHOP

DAY 1 (18 May 09, Monday)			
Time	***Session/activities***	***Facilitator***	***Materials needed***
8.30-09.30	**Introduction** a. Welcome and guest speeches (lighting of the oil lamp, Anthem)	Kanchana	
	b. Introduction of new members of the local teams)	Priyanie	
	c. Aims and Agenda of the workshop	Priyanie	Aims and overview agenda
	d. Review of logistical issues	Priyanie	
	e. Establishment of group rules	Yadava	
09.30 -10.30	**Business planning** • **Introduction** (60 minutes): why a business plan; what does it entail (overview; part by part short explanation)	Priyanie	
10.30-11.00	Tea break		
11.00-12.30	• **Reading thematic text and guideline 3.3 in the local teams**; Each group with 1 regional coach to answer main questions regarding each part of the text (90 min)	Yadava	Thematic text 3.3. Business planning Guideline 3.3. Business planning; example: 1 case
12.30-13.30	Lunch		
13.30-15.30	• **A draft business plan is worked out by each of the local teams for their own MoPO** (identify gaps in available data and problems encountered in application of the methods); (each group with 1 regional coach to give encouragement and answer questions)	Henk and Kanchana	Sheets/markers
15.30-16.00	Tea break		
16.00-17.30	• **Continuation of the development of a business plan** • **The local teams prepare** (during the last 30 minutes) **a presentation of 10 minutes to the plenary** with: a. the outline and some highlights of the business plan they are developing b. an overview of the data that are missing and how they plan to collect those in the week following the workshop c. their remaining questions and suggestions	Kanchana	Sheets/markers

DAY 2 (19 May 09, Tuesday)			
08.30-09.00	Process review The participants reflect on yesterdays process: a. are group rules maintained?; b. is the learning process effective and pleasant? c. any logistical needs?	Yadava	
09.00-10.30	• **The local teams present the outline of the business plan and some highlights, the missing data and the remaining questions** (10 min/city) • **Plenary discussion on remaining issues; planning of finalisation of the business plans** (60 min)	Yadava	
10.30-11.00	Tea break		
11.00-12.30	**Urban Field Schools** • **Introduction of UPFS** (20 min.): what is an UPFS? Mushroom example of an UPFS (programme schedule) Main principles of an UPFS; How to design an UPFS: programme schedule and session plans (based on technical and organizational changes needed for the selected MoPO; see business plan). • **Reading Guideline 3.5.1 Design of the UPFS (in local teams)** (each group with 1 regional coach to give encouragement and answer questions) (70 minutes)	Kanchana	Thematic text 3.5 UPFS Guidelines Guideline 3.5.1 Design of UPFS
12.30-13.30	Lunch		
13.30 -15.30	• **Each local team develops a draft UPFS programme schedule for their MoPO and a session plan for one UPFS group meeting** (also identify gaps in available data) (each group with 1 regional coach to give encouragement and answer questions)	Yadava	Sheets/markers
15.30-16.00	Tea break		
16.00-17.30	• **Continuation development UPFS programme schedule and one session plan**	Kanchana	Sheets/markers
DAY 3 (20 May 09, Wednesday)			
08.30-09.00	Process review The participants to reflect on yesterdays process: a. are group rules maintained?; b. is the learning process effective and pleasant? c. any logistical needs?	Kanchana	
09.00-10.30	• **Reading Guideline 3.5.2 Implementation of UPFS (in local teams)** (each group with 1 regional coach to give encouragement and answer questions)	Yadava	Guideline 3.5.2 Implementation of UPFS
10.30-11.00	Tea break		
11.00-12.30	**Strengthening the urban producer organisations** • **Introduction** (30 min): what is a producers organisation; main dimensions; important factors for success • **Reading thematic text / guideline 4.2 Strengthening Producer Groups (in local teams** (60 minutes**);** identify questions/suggestions for each part of the text	Kanchana	Thematic text 4.2 Strengthening Producer Groups Tool 4.2.1 Framework Analysis producer organisations

12.30-13.30	Lunch		
13.30-15.30	• **Step by step discussion on strengthening producer groups** (120 minutes) a. Newly starting groups: what are the basics for each producer group? What can be done to build up these groups? b. Already existing groups: How to apply the analysis tool and the identification of strengthening needs (also look at business plan). Which are most important for the MoPO? What can be done to strengthen the organisation in these areas? c. Inclusion of group building and organisational strengthening activities in the UPFS group meetings; Other activities needed at the level of the second level organisation / coordination group d. Other remaining issues	Kanchana / Yadava	Guideline 4.2. Organisational Strengthening Tool 4.2.1 Framework Analysis producer organisations
15.30-16.00	Tea break		
16.00-17.30	• **Local teams** (applying tools 4.2.1 and 4.2.2) **make an analysis of one producer organisation or group, identify main strengthening needs, and make a work plan for organisational strengthening** (differentiating what can be included in the UPFS meetings and what needs separate activities) (each group with 1 regional coach to give encouragement and answer questions)	Priyanie	Sheets/felt pens
DAY 4 (21 May 09, Thursday) Visit to the SANASA farm school on food security			
Visit to the **SANASA development bank Campus –** Farm school, micro-credit financing schemes, etc. The campus is in Kegalle – 1 ½ hr drive from the Hotel.			
DAY 5 (22 May 09, Friday)			
08.30-09.00	Process review The participants to reflect on yesterdays process: A. are group rules maintained?; B. is the learning process effective and pleasant? C. any logistical needs?	Kanchana	
09.00-10.30	**Promoting group savings; use of revolving funds** • **Introduction** (30 min): why encouraging group savings A. for sustainability and growth of group investment, B. Use of revolving funds C**.** Where there is no source of micro-credit: (maybe a) rotating savings and credit systems. • **Reading Thematic text and Guideline 4.3 Promoting Group savings (in local teams);** identify questions/suggestions for each part of the text) (60 minutes) (each group with 1 regional coach to give encouragement and answer questions)	Yadava/ invited guest for question time	Thematic Text 4.3 Promoting Group savings Guideline 4.3 Promoting Group savings
10.30-11.00	Tea break		
11.00-12.30	• **The local teams analyse the local situation and plan actions regarding promoting group savings in the producer organisation / UPFS groups** (each team with 1 regional coach to give encouragement and answer questions)	Kanchana	Sheets/felt pens
12.30-13.30	Lunch		

13.30-15.30	**Project planning and budgeting** • **Introduction** (30 min): overview of activities and plans that feed into the project document; overview of contents of the project document; explication of each step (take more time for the formulation of the objectives) • **Reading Guideline 3.4 Preparing the project plan (in local teams)** (60 minutes) (each group with 1 regional coach to give encouragement and answer questions)	Priyanie	Guideline 3.6 Preparing the project plan Tool 3.6.1 FStT project activity plan Tool 3.6.2. FStT project time schedule Tool 3.6.3 FStT project budget Tool 3.6.4 Gender checklist
15.30-16.00	Tea break		
16.00-17.30	• **Local teams start the preparation of their project plan** (each group with 1 regional coach to give encouragement and answer questions)	Priyanie and Henk	Sheets/markers
DAY 6 (23 May 09, Saturday)			
Morning 08.30-09.00	Process review The participants to reflect on yesterdays process: a. are group rules maintained?; b. is the learning process effective and pleasant? c. any logistical needs?	Yadava	
09.00-10.30	**Monitoring in FStT** • **Introduction:** 3 types of monitoring and related concepts with examples of each; who will do what (20 min) • **Fresh up on Process (in built) monitoring and systematisation** o Introduction (20 min) o Sharing of experiences to date; recommendations and commitments (30 min) • **Outcome Mapping** o Introduction: (20 min): explain the outcome journal: where do these progress markers come from? how will the journal be used (baseline, dec 2009, dec 2010), who will fill it out? How to do that?	Henk Priyanie Suleman	Thematic Text 4.1 Monitoring and evaluation in FStT Guideline 4.1.1 Process (in built) monitoring and systematization Guideline 4.1.2 Outcome Mapping Outcome challenges and progress markers for NGO-FStT, UPO
10.30-11.00	Tea break		
11.00-12.30	o Participants read in 2 groups the Guideline 4.1.2 Outcome mapping and the regional coach answers questions (30 min) o Participants review in 2 groups one Outcome journal (for the NGO-FStT or for the urban producer groups/organisation; facilitator participates to answer questions where needed (60 min)	Kanchana and Yadava	
12.30-13.30	Lunch		

13.30-15.30	• **Impacts monitoring** o Introduction (30 min): starting point: the SMART formulated objectives for the innovation project (= expected results); for each objective one or more indicators will be chosen and monitored. Minimum set of RUAF indicators will have to be used also. Role of local team: semi structured interviews at annual review meetings and the adoption rate monitoring after each UPFS meeting. In monitoring workshop the monitoring plan will be made. o The facilitator let the participants read Guideline 4.1.3 Impacts monitoring in the plenary (one person reading the text out loud) giving emphasis on the activities to be performed by the local facilitators (45 minutes) o Planning of impact monitoring training workshop in each city (15 minutes)	Priyanie	Guideline 4.1.3 Impacts monitoring
15.30-16.00	Tea break		
16.00- 18.00	**<u>Work planning next three months</u>** • **Introduction** (10 min) • **Local teams develop their 3 monthly work plan**	Priyanie	
DAY 7 (24 May 09, Sunday)			
Morning **08.30**-09.00	<u>Process review</u> The participants to reflect on yesterdays process: a. are group rules maintained?; b. is the learning process effective and pleasant? c. any logistical needs?	Kanchana	
09.00-10.30	**Facilitation skills** Principles of adult education; Basic skills of facilitators; active listening; helpful questioning; giving feedback	Henk/ Practical Action/Invited speaker	
10.30-11.00	Tea break		
10.30-12.30	**Facilitation skills** Facilitating task and social dimension of groups; What to observe in a group; dealing with different kinds of behaviour in groups; conflict management in groups; leadership roles	Priyanie	
12.30-13.30	Lunch		
13.30-15.30	**Facilitation skills** Simple problem solving and decision making procedures; group activity planning	Priyanie	
15.30-16.00	Tea break		
16.00-18.00	**Presentation and discussion work plans**		
18.00- 19.00	**Closure; farewell drinks**		

STIMULATING INNOVATION IN URBAN AGRICULTURE

Guidelines for the planning, implementation and monitoring of local "From Seed to Table" projects

PART II - DESIGN AND IMPLEMENTATION OF THE FSTT INNOVATION PROJECT

ETC Urban Agriculture
April, 2009
Leusden

INTRODUCTION

These guidelines have been prepared for use by the staff of the local RUAF partners responsible for the situation analysis, project design, implementation and monitoring of local **From Seed to Table projects**. These guidelines complement RUAF documents with guidelines on other components of the FSTT programme, like the support to the Multi stakeholder Forum, policy advocacy activities at national level, the financing study and lobbying.

Part I of the guidelines covered the start up and diagnosis phase. Part II of the Guidelines covers the design, implementation and monitoring of the FStT innovation project. The guidelines start with providing an overview of the various steps to be taken in the coming months (business planning, design UPFS, , organisational analysis and development of the activities to strengthening the farmers organisation, etcetera , and will describe the main steps and activities to be implemented, who will be involved in each step or activity, and finally the write up of the project document (period mid May till mid July 2009) and the implementation and monitoring of the project. Following the overview of phases/steps, you will find the guidelines for the preparation and implementation of each step with the related tools and thematic texts and eventually other materials.

By providing these guidelines and tools we hope and expect that local partners have maximum clarity about the proposed methodology, expected results and the implementation time frame. However, local partners are expected to apply these guidelines in such a way that local conditions and dynamics are taken into account. This may require adaptations in the precise timing and methodology of certain steps. For example: in some locations certain activities may take more time while others take less time. However, we expect that the overall approach and time frame for each phase will be respected, to allow for exchange and comparison between cities and regions as well as the planning of global and regional training and exchange events.

A short explication of the terminology used in the overview and guidelines:
Regional Coach: the person in the regional RUAF team that is responsible for coaching the local partners in a specific city (coaching visits; support by email, phone and SKYPE; sharing relevant experiences from other cities, etcetera)
Local FSTT coordinator: the person coordinating the design and implementation of the local FSTT innovation project with the urban producer groups in a particular city
Local MSF coordinator (or: -facilitator): the person coordinating the activities related to the strengthening of the MSF and the implementation of its Strategic Action Plan in a particular city
NGO-MSF: the local NGO responsible for facilitating the strengthening of the MSF and City Strategic Plan on Urban Agriculture
NGO-FSTT: the local NGO partner responsible for coordinating the design and implementation of the FSTT-project. NB in incidental cases (like in China) the NGO has been replaced by a University or local government department
Local Team: The local team responsible for the design and implementation of the local FSTT project, consisting of the designated staff of the NGO-FSTT and the representatives of the participating producer groups.

OVERVIEW OF THE PHASES OF RUAF-FSTT PROGRAM 2009 -2010

Phase 1 – Preparatory phase

1.1 Briefing the MSF

1.2 Start-up meeting with partners

1.3 First regional staff training and planning workshop – Bangalore, India

1.4 Introductory meeting with urban producers

1.5 Training of the producer representatives

Phase 2 – Context analysis

2.1 Context analysis

2.2 Inventory of producer options for FSTT project

2.3 Quick scan market options

2.4 Screening of options and selection of Most Promising Product (MoPO)

2.5 Analysis of market for selected product and potential support

2.6 Feedback and decisions on the desired product

Phase 3 – Project design and business plan

3.1 Second Regional staff training and planning workshop – Sri Lanka

3.2 Training of the producer representatives in the local team

3.3 Design of the production and marketing strategy/business plan

3.4 Feedback on diagnosis and presentation of draft business plan and decisions on next steps

3.5 Preparation of UPFS

3.6 Preparing the project plan

3.7 Project reporting and preparing for phase 4

Phase 4 –Project implementation and monitoring

4.1 Monitoring and Evaluation

4.2 Organisational strengthening

4.3 Group saving schemes and revolving funds

Phase 5 - Project evaluation; systematization of experiences gained and drawing lessons to be developed

OVERVIEW STEPS PLANNING AND IMPLEMENTATION PHASES

Phase 3: Project Planning (Overall work plan, Business plan, UPFS plan, Monitoring and Evaluation)					
Phases and steps	**Activities / methods**	**By whom**	**Expected results**	**Related RUAF materials**	**Implement in week #**
3.1 Second regional Staff training and planning workshop	During the Second Regional Staff Training and Planning Workshop **the local teams** will discuss an prepare the methodology and tools that will be used for preparing the business plan and the plan for the UPFS, the project work plan and budget, the monitoring and detailed activity planning for the next three months .	Regional team + Local teams of each city	* Local team is acquainted with making a business plan, a plan for the Urban Producers Field schools, and the monitoring framework and tools * T**ools** translated and ready for local use * **Work plan** defined for next 3 month**)**	Guideline Step 3.1 Second regional training and planning workshop – the Programme schedule Tools * Part II Training manual FStT	Week 21 18 May 09
3.2 Training of the farmer representatives in the local team	A **short and practical training** for the farmer representatives on methods and tools to be used in this phase 1 day introductory training + specific training before each step	Local team	* farmer representatives in local team are familiar with the method/ tools to be used during the design phase	See Guideline 1.5 (Part I Training manual)	Week 22 (25 May 09) + periodic
3.3 Design of the business plan	**2 day Workshop of the local team** (+ invited external advisers) to design the business plan, followed by some days to detail and finalize	* Local team * External advisers	* **Business plan** for the selected MoPO (including economic analysis, operational and financial plan)	Thematic text 3.3 Developing the business plan. See examples of business plans – See Annexure You will need to utilise all the data gathered in the	Week 23 and 24 (1 – 14 June 09) (finalization by the 14th June 09)

				diagnosis phase <u>Guideline Step 3.3</u> Preparation of the business plan for the MoPO for India and Sri Lanka	
3.4 Feedback on diagnosis and presentation draft business plan and decisions on next steps	**Meeting with the farmer groups** to: a. Present the selected MoPO, the results of the market analysis/business plan and the technical and organisational innovations that one plans to realise in the project b. Obtain commitment of the producers and register them as participants in the project c. Agreement on next steps in the procedure and appointment for first group meetings	Local team + all interested producers (eventually per cluster)	Producers are well informed about the intended local business and are committed to participate **Minutes on the Feedback meeting** with main commitments	<u>Guideline Step 3.4</u> Feedback meeting <u>Tools</u> 3.4.1 Matrix to present results of the market analysis (same as tool 2.6.1 in Part I training manual) 3.4.2 Matrix to present the proposed technical and organization innovations in the selected market chain (same as tool 2.6.2 in Part I training manual) Draft business plan	Week 25 (15 - 21 June 09) NB one may also decide to do the feedback meeting after the plan for the UPFS has been made (but not later than 1 of July)
3.5 Preparation of UPFS	**Workshop of the local team (+ invited resource persons)** 1. Identification of main training needs linked with the technical and organisational changes required for the realisation of the MoPO 2. Design the UPFS programme schedule: a time scale with the most optimal training moments for certain training themes according to the production, processing and marketing cycle of the MoPO 3. Develop session plans (contents, methodology,	**local team (+ invited resource persons)**	**Urban Producers Field School programme schedule** + session plans + learning materials	<u>Thematic text 3.5.</u> UPFS – A method to enhance the innovative capacity of urban producers <u>Guideline Step 3.5.1</u> Design of Urban Producer Field Schools	Week 25 (15 - 21 June 09) (2 day workshop) Week 26 (22 – 28

	locations, resource persons) for each UPFS group meeting Directly following the workshop: 4. Prepare the learning contents / learning materials for each session in detail with the resource person for that group meeting 5. Prepare logistics and materials needed			Tool 3.5.1.1 UPFS programme schedule Tool 3.5.1.2 Session planning matrix UPFS Guideline 3.5.2 UPFS implementation and monitoring Tool 3.5.2.1 Field observations on effects of UPFS sessions	June 09) (detailed preparation of contents/methods each group meeting)
3.6 Preparing the project plan	**Workshop of the local team** (+ regional coach) 1. Identification of the main activities that one has to implement (until end project) in order to get the MoPO functioning 2. Formulate project objectives 3. Development of work plan (activities and time frame) 4. Preparation of project budget and funding 5. Visit partners and third parties to discuss their contributions to the process 6. Prepare Monitoring and Evaluation plan	* Regional coach *NGO-FStT (not the farmer representatives) * NGO-FStT staff familiar with project planning	**Project plan** with Objectives (results expected), Activities division of tasks and responsibilities, time schedule, budget, funding and M&E plan	Guideline Step 3.6 Preparing the project plan Tool 3.6.1 FStT project activity plan Tool 3.6.2 FStT project time-schedule Tool 3.6.3 Format for budget FStT project	Week 27-28 (29 June – 12 July 09)

3.7 Reporting + prepare phase 4	**Preparations of the project implementation** (logistics, materials, etcetera) **Reporting on phase 1 and 2**		**Report diagnosis and planning phase**	Guideline Step 3.7 To be developed	13-19 July 09
Phase 4: Project Implementation and Monitoring					**Start: 20 July**
4.1 Monitoring and Evaluation	**1. Monitoring training workshop** **2. Baseline + periodic recording households in sample** **3. Three monthly team reflection** **4. Annual review and planning meetings (focus group discussion)** **5. Outcome journals (start and annually)**	* NGO-FStT * University staff and students * Producer households participating in FStT project * Regional coach/coordinator	**Monitoring plan** **Tools and formats** for data collection/registration **Monitoring reports** **Outcome Journals** **Report annual review and planning meeting**	Thematic Text 4. Monitoring and Evaluation Guideline 4.1.1 Process (Inbuilt) monitoring Guideline 4.1.2 Outcome mapping Guideline 4.1.3 Monitoring of impacts (+ annex Do's and Don'ts of communicating with farmers) Tool 4.1.1.1 Matrix process documentation Tool 4.1.1.2 Matrix Systematization Tool 4.1.3.1 Monitoring plan	

4.2 Organisational strengthening	**1. Diagnosis** of actual situation of the organisation 2. **Further analysis** of key problems, identification of solutions and **action planning** **3. Implementation and monitoring**	* NGO-FStT team * Resource persons * Regional coach	Depending on local situation: * Organisational improvements identified * Analysis strengths / weaknesses producer groups/association * Producer groups or association strengthened	Guideline 4.2 Strengthening producer organisations Tool 4.2.1 Framework for analysis	
4.3 Group saving schemes and revolving funds		* NGO-FStT team	Depending on local situation: * Group investment scheme set up * Rotating savings and credit scheme * Revolving fund has been put in place	Thematic text 4.3 Group savings schemes and revolving funds	
Phase 5	**Project evaluation; Systematization of experiences gained and drawing lessons learnt**			Guideline Step 5 To be developed	**Week 95 (1 Nov 09)**

THEMATIC TEXT 3.3: DEVELOPING THE BUSINESS PLAN

What is a business plan and why do we need it?

The business plan is an instrument to organize and plan our business idea (our MoPO) in more detail and to look into the organizational and financial aspects.

The business plan focuses on the question how our business idea (the MoPO) will operate, once it is established, and defines related technical, organisational, financial and legal aspects, It helps us to think through the most important aspects of our business and plan it well, before starting it up[1].

The business plan describes:

a. the **business idea**: the selected MoPO
b. the **marketing strategy**: to whom and how we plan to sell this product(s)
c. the **operational plan**: the activities through which one will realize the production, processing and commercialization of the MoPO
d. the **financial plan**: the calculation of costs and benefits of the production
e. the **organisational plan**; internal organisation and partner strategy of the business

a. The business idea

- What is the selected MoPO? E.g. “Production and drying of medicinal herbs for sales to traditional healers, health clinics and in community centres”. Or: “Production of bags of sorted vegetables (according to season and consumer preferences) for sales to subscribers (government officers, parents of private schools)”. Or: “Organic production of cherry tomatoes and baby cucumbers for sales to higher end restaurants and hotels”.

b. Marketing strategy

- **To whom** do we plan to sell this **product**(s) (traders, restaurants, hotels, prisons, box scheme clients, processing enterprise, supermarkets, street vending to consumers, shop keepers, or other buyers). How many of each of them are there within our reach? How many of them are probably willing to buy our product?
- What are the **preferences, minimum quality and quantity criteria** and other **conditions** (maximum price, where/how delivery, additional services, payment, etc) of the potential buyers? What other reasons/motivations for buying our product they may have (social responsibility, food print reduction, etcetera)?
- **Competitiveness**: How does our product distinguish from that of other providers? Who are the main competitors and what are their weak/strong points? What are our unique “selling arguments” to persuade the customers to buy our product by preference?

[1] So, thee business plan differs from the project plan. The project plan describes the activities through which we will support the **establishment** of the business (the introduction of the MoPO), like the Urban Producer Field Schools, organizational strengthening, setting up a group savings scheme and other support activities by the RUAF partners (see Guideline 3.4 Preparing the Project Plan) while the business plan focuses on how the business will be **organised and functioning** once established.

- **How much** products we estimate these customers are willing to buy per week or month (depending the delivery periodicity and amounts required by the various buyers) after the start up period? Make a **projection of the number of units we expect to sell per month** for each month of the first year (which will initially be low and gradually increase) and totals for year 2 and 3 (don't overestimate the growth rates per year).
- In what **Presentation(s)** we will market our product(s): weight/size, type of packaging, design label and product information, brand, organic? , certified or other quality label?, etc.)
- at what **Price(s)** we want to sell our product(s). Setting the price is a strategic choice: on the one hand we have to take into account the prices applied by our competitors and what our potential buyers are willing to pay, on the other hand we minimally have to cover our costs. Moreover, we may apply different marketing strategies: do you want to set your product in the market as a more exclusive product with a high quality for more resource-full clients (then choose a higher price and make sure the attractiveness and quality of the product are high compared to that of the competitors) or as a product for mass sales to lower-resource households (then the price should be low compared to the competitors and quality at least equal to that of competitors). Sometimes different prices are applied for different quality levels or different product presentations (e.g. nicely packed small volume packages at higher price per kg and larger simpler bags at lower price per kg). See also financial plan below.
- Where will we meet with these buyers to sell / deliver the product(s) (**Place**)? How will the institutional buyers or groups of consumers be able to periodically make their orders (during visits, by telephone or mail, by subscription, ?). How will the products be **distributed** to the points of sales? Will we have our own sales points (mobile cart, organic shop, farmers market, etcetera): if so: where will these be located, how will these look like, what equipment is needed, how arranged).
- How will we **Promote** our product? How to bring our product and its unique selling arguments to the attention of the potential buyers (by visiting them, writing a letter or email, distributing free samples, demonstrations, through the radio/tv or news papers, distribution of leaflets, posters, T-shirts, a stand at fairs and festivals, low "introduction" price, etcetera)?

c. The Operational Plan

The operational plan describes how the production, processing and marketing will be implemented.
The seasonal calendar for the situation with MoPO provides a good starting point for developing the operational plan.
Answer for each of the items included in the list below:

- **wwwwhw**: who, will do what, when, where, how, with what means and related "good practices"
- **q & q**: quality and quantity required

When defining "who" one has to think first of the required attitudes, skills and knowledge related to a certain task and then select certain person(s) who will assume this task.

When talking about the "related good practices" we refer to the requirements regarding how things should be done best in order to arrive at products of the right quality (e.g. application of ecological production methods, good sun drying before sacking and transporting, use of clean water when washing the product before packing, etcetera)

Production

Wwwwhw / q&q regarding:

- Getting the required inputs: seeds/varieties/breeds, compost, etcetera (what, where)
- Equipment/infrastructure needed (own, leased,?) ; sources of irrigation water
- Production cycle and methods (what has to be produced, in what periods of the year, on which plots? What are the cultivation activities have to be undertaken, when, by whom? What are the recommended production practices in order to meet the required quality criteria (variety, colour, size, organic, etcetera) and quantity / periodicity (see also production planning below)
- Post harvest / required activities e.g. transport from field to home or joint locality, drying, quality control / grading/ selection, storing; taking into account q&q criteria posed by the processing activities and potential or buyers.
- Related planning, control and administrative activities and required practices

Processing

Wwwwhw / q&q regarding:

- Primary materials and inputs needed
- Equipment and infrastructure needed; sources and quality of land, water and energy required; selection of location (bought, leased ?)
- Transformation process and required practices: selection, washing, slicing, baking, cooking, drying, canning, packaging, labelling, Quality control/certification and storing of final product, taking into account the legal and sanitary requirements of regulatory institutions and the product requirements (quality and quantity/periodicity) of the potential buyers
- Related planning, control and administration activities with required practices.

Marketing

Wwwwhw / q&q regarding:

- Promotional materials needed (leaflets, posters, displays, ?), equipment and means of transport needed
- Promotional and PR activities
- Taking orders
- Transportation and distribution to institutional buyers and/or to (groups of) consumers directly (by running box scheme, own shop, mobile carts, stall on market, etcetera)
- Related planning, control and administration activities with required practices.

d. The Financial plan

d1. Calculation of expected profit margin

Of course before we start our enterprise we want to know whether it will be profitable or not. For that we will have to know the costs of production and marketing and to determine the price level.

For the primary production and for the processing + marketing respectively, we will make a calculation of the expected profit margin of the business, as follows:

Fixed costs: include all costs that one has to pay anyway (totals per year 1 – 3; divide by 12 to arrive at costs/month), whether one produces a low or high quantity of products:

- Rent or depreciation of shed/building, equipment, machinery, furniture, etc
- Maintenance costs of building, machinery, etcetera
- Costs of energy and water
- Cost of loans (interest and administration costs)
- Cost of management and administration.

Variable costs: all costs (per month in year 1 and totals year 2 and 3) that vary with the number of units produced. Calculate the costs of production of the projected amount of products (expected sales):

- Cost of inputs
- Labour costs
- Transport costs (fuel + maintenance)
- Costs of storage
- Promotional costs
- Taxes on profit made
- etcetera

When calculating costs we often will have to make some assumptions (e.g. regarding the expected increase in costs of inputs, salaries, etcetera per month/year due to inflation and market forces, depreciation rates for equipment and infrastructure, the percentage of wastes during the production process, etcetera).

Total production costs per unit of product sold: sum of fixed costs + variable costs in year x divided by the projected number of units sold in year x (see "marketing strategy" above).

Expected ***Profit margin per unit*** = the chosen price per unit of product minus total production costs per unit in year x

Expected **total profit per year**: profit margin per unit times expected number of units sold in year x. Preferably, the profit per year should be higher than the interest one can earn by putting the capital, that was invested to generate these profits, into a bank deposit (minimum rate of return to capital invested).

When making the decision on the price level for our product we will make these calculations various times with different price levels for our product in order to see how this would work out for the profit margin, in order to arrive at a decision about the price of our product that is realistic in the given market, but that would allow sufficient profit.

d2. Calculation of breakeven point and duration of start up period

We also would like to know how long it takes before the enterprise will become profitable.

The **breakeven point** is the number of units of our products that we will have to sell per month at a given price in order to cover the costs per month. If we can sell more we will make a profit. Hence it is urgent for all businesses to reach this point as quickly as possible and stay above the break even point there after.

Start up period: In the start up period we probably will sell less than the break even point since we will have to develop our production and establish and further develop our sales network. The **projection of expected sales per month** will indicate after how many months we expect to reach break even. Hence during this period we will make a loss. How long do we estimate that this period will be? How much will be the loss during this period? How will we cover such initial losses (source of capital)?

d3. Calculation of capital needed to get the business running

Of course we need also to know how much capital we will need to get the enterprise running.

We have to distinguish here between:

a. The capital needed for acquiring land, a fence, a building, machinery, equipment, furniture (**investment in fixed assets**)
b. The capital needed for one time **start up costs** like costs of registration with the chamber of commerce and tax office, obtaining legal status, licenses, permits, design of label and letterhead/logo, initial training of staff, etcetera
c. The **working capital** is the cash needed to operate the business each month (buying inputs, labour, package material, transport, promotion, monthly payments of electricity, rent and costs of loans, etcetera; In order to be able to start the business operating you will need to have the working capital needed for the first month(s) depending the duration of start up period (see also cash flow planning below).

What will be the sources of the three types of capital needed? When will this capital be needed? What may come from the producers themselves, what from the project (and in what form; see Guideline 4.3 on Group saving schemes revolving funds) and what from other external sources like the Municipality or national government and from private sources (either as a grant/subsidy or as a loan)? The credit and financing study may indicate which op these external sources are available in the city.

d4. Cash flow planning

Through cash flow planning one seeks to ensure that the required working capital is available each month. The expected cash flow is the difference between the expected cash costs (hence without depreciation of fixed assets) of operation of the business in the coming period (month/trimester/semester) and the incoming revenues based on the expected number of units sold of our product in the same period. If there is a positive balance, the required working capital will be available. If the balance is negative you will have to find a way to attract more working capital to continue the business in that period (e.g. extra member contributions, extra selling activities and reduction of stock, chasing debtors to repay now, taking a short term loan, etc).

d5. **Estimation of financial risks and what to do if...**

Make a list of the factors –mainly outside our control- that may negatively influence the enterprise results. Then, think about what your strategy(ies) you will apply in order to reduce the effects of such factors if these would occur.

You also may do a "sensitivity analysis" by calculating costs/benefits for a worst case (calculating with a lower estimate of the number of products sold per month/year than the projection made earlier) and a best case (with a higher estimate) in order to see how this influences the net outcome of the business.

e. The organisational plan

This includes two main areas of attention: e1) The internal organisational structure and e2) The partner strategy

e1. *The internal organisational structure*

While making the operational plan, various issues that have to do with "who is doing what" in the organisation have been discussed. Now is the moment to bring this together in a plan for the internal organisation of the enterprise:

- Organizational diagram; Which functions and/or sub units and/or committees will be created? What are the tasks, rights and responsibilities of each of these functions/units/committees?
- How will main decisions be made and who will be involved?
- How will the financial administration be organized? How is effective control endured?
- What production, processing, storage and sales records will need to be maintained and by whom?
- etcetera

(see also the Guideline 4.2 on Organisational Strengthening).

e2. Partner strategy

When preparing the earlier parts of the business plan you will have identified certain partners you will (have to) cooperate with.

Now review the most important partners and define what you will do to develop a good relationship with them, get a firm cooperation commitment, and how you will work with each of them.

- Preferred partners in inputs supply? What are their conditions, place of delivery, terms of payment, etc.)
- Preferred partners in respectively processing, transport and marketing and their conditions?
- Who will help us to secure access to land/water?
- Who will provide the training and assistance needed (technical advice, organisational advice, market information, ...) ?
- Who will provide the financial means needed?
- Who will provide the licences, permits, etc needed?

GUIDELINE 3.3.1: PREPARATION OF THE BUSINESS PLAN

Participants:
Local team
External advisor (with experience in making business plans (especially the financial calculations)

When:
First draft: before the feedback meeting on the diagnosis phase
Finalisation: after the feedback meeting

Preparations:
All data collected in the diagnosis phase have been processed and summarized results are readily available. The NGO-FStT staff will go through all steps of the process indicated in the guideline prior to the implementation and prepare one and other before the meeting of the local team.
The external advisor is timely invited and made familiar with the data collected so far.

Implementation
The local team meets and the concept of a business plan is shared.
Subsequently the team goes through the various steps indicated in the thematic text Business Plan discussing in detail:

a. The business idea: the selected MoPO
b. The marketing strategy: to whom and how we plan to sell this product(s)
c. The operational plan: the activities through which the producers group will realize the production, processing and commercialization of the MoPO
d. The financial plan: the calculation of costs and benefits of the production
e. The partner strategy: which other actors we will cooperate in order to get our business done

Many issues that will be discussed while making the business plan have already been discussed during the diagnosis and screening activities. But now, it is the moment to plan in detail and take decisions about how things will be organized and operated.

When discussing the marketing strategy one should realize that some decisions taken in this step might need to be reviewed and adapted when the operational plan and/or the financial plan have been developed. For example, defining the price of a product depends mostly on insight in the costs of production, which will become clear only after having developed the financial plan. Hence, there might be a need to adapt in further detail the marketing strategy once the financial plan is on the table.

Reporting

The steps a-e indicated above also provide a good framework for the reporting. For the feedback to the farmers main results have to summarized before presenting them to the farmer groups in the workshop with the farmers (see guideline 3.3).

Materials

Thematic text on Developing the business planning

Example business plans: 1. AFC plants nursery (Annexure 1)
2. Growing Home, Chicago (on request)

ANNEX 3.3.1.1: EXAMPLE OF A BUSINESS PLAN

Plant Nursery

Executive Summary

The proposed project consists in **establishing a plants nursery in Hasbaya caza.** The plants nursery will supply seasonal seedlings and saplings for vegetables and trees.

The initial investment is estimated at $213,261, which mainly includes $43,457 in equipment, $158,900 in construction costs, and $10,905 in working capital needs (including beginning inventories).

The main assumptions are based on achievable market levels and consider sales of 200,000 vegetable plants and 22,500 trees per year. These are considered conservative levels for the initial year of operation.

The projections are taken over a period of 7 years. The nursery is expected to provide an average annual net profit of $37,349.

The plants nursery provides an internal rate of return (IRR) of 21% and a payback period of 5 years and 3 months. These results demonstrate that the project is viable and will provide satisfactory returns to its investors.

A worst-case scenario is developed, whereby only 20,000 trees are sold per year and 156,000 plants per year. In this case, the average profitability is $29,512 and the internal rate of return drops to 16% and the payback period is 6 years and 3 months.

A best-case scenario assuming that 100% of the trees production, i.e. 30,000 trees, and 200% of the seedlings production are sold, this is equivalent to 2 cycles for the seedlings per season. This scenario involves sales of 30,000 trees and 400,000 seedlings per year. In this scenario, the average net profit is $64,726 and the IRR is 33%, while the payback period is 3 years and 7 months.

In order to achieve satisfactory results, the plants nursery should be well managed with intensive marketing efforts, excellent service, as well as high quality seedlings and saplings in order to build a loyal clientele.

The plants nursery will offer 7 job opportunities, (5 of them are full time jobs and 2 are seasonal), and will contribute positively to the socio-economic environment of Hasbaya.

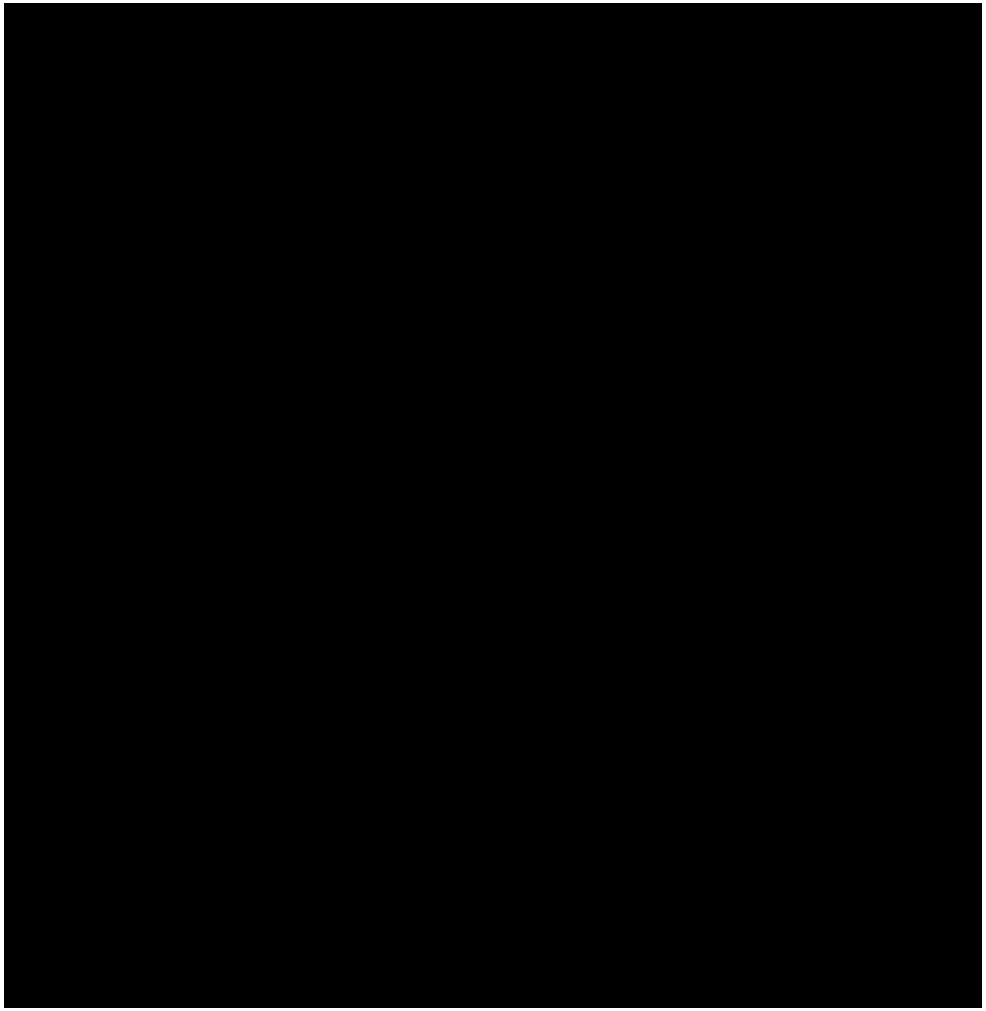
PROJECT DESCRIPTION

The project consists in developing a plants nursery in Hasbaya caza. The nursery will supply a variety of seasonal seedlings, and saplings for vegetables, trees, and ornamental trees for landscaping.

The nursery will be established on a rented land with an area of 5,000 square meters. Approximately 3,800 square meters will be used for the nursery and about 1,000 square meters will be used for the parking lot. An area of 100 square meters will be used to build offices and storage for the tools and materials.

A B-tunnel greenhouse with an area of 800 square meters will be built to grow the seedlings. A Multi-span shaded greenhouse with an area of 3,000 square meters will be used to keep all the planted seedlings and saplings. The nursery will be equipped with automatic irrigation systems.

The following table shows the projected equipment and initial investment requirements. The total investment required includes the cost of equipment, construction of the offices, greenhouse and shaded nursery, vehicle, as well as working capital requirements (beginning inventory of seeds, potting soil, etc. as well as enough funds to cover the initial working capital needs).



Staffing Structure

Seasonal labor will cover the high season spring months, i.e. a total of 3 months approximately.
The plants nursery will have a limited staff structure. The plant manager needs to have prior experience in managing cultivations. He will handle planning, purchasing, supervising the cultivation processes, ensuring quality control, establishing contacts with clients, and marketing activities. The salesperson along with the manager will handle sales as well as other administrative functions such as placing orders, invoicing, and accounting.
The nursery will have 3 full-time workers and 2 seasonal workers during peak seasons.
The total salaries are around $2,650 during high seasons (3 months per year) where the nursery will hire 2 additional workers.

PRODUCT STRATEGY
The plants nursery will offer high quality vegetable plants and saplings of trees that are mostly demanded in the region.
There is a growing trend in the market for farmers to prefer buying prepared seedlings from plants nurseries instead of having to do that at their own farms. The main reason is that it would cost them more to do it themselves than to buy them already prepared from plants nurseries. Thus, even those plants such as watermelon, melon, or cucumber, which were traditionally grown directly at the farmer's premises, are being more and more preferred from plants nurseries.
Moreover, for trees, the plants nursery will offer those trees that are mostly demanded in the region. It will add eventually other types that are also appropriate for the region. It is important to note that most trees are grafted into varieties before they become ready for sale. This requires appropriate equipment and greenhouse to obtain best results. These interventions are the main value added of plants nurseries.

The main product lines will include:
Vegetable plants: *Spring season plants:* Tomatoes, Sweet pepper, Hot pepper, Melon, Watermelon, Eggplant, Cucumbers, Sweet corn *Autumn season plants:* Cabbage, Cauliflower, Broccoli, Lettuce, Red cabbage, *Trees:* Carob trees, Pine trees, Olive trees

MARKET ANALYSIS
Agriculture in Hasbaya was neglected as local workers were hard to employ in the past due to the enrolment of most of the locals in the Israeli army. Hasbaya caza has been suffering from poverty since the Israeli army withdrawal.
There are no plant nurseries in Hasbaya caza. In fact, there is only one person who usually takes care of the plants informally from his own house. The prices are almost double the market prices since the plants are monopolized in the caza.
The Hasbani area is recommended for flowers greenhouses establishment since water is available in that region.
Local residents have been emigrating from this region of Lebanon due to lack of employment opportunities. An investment in plants nursery will cover the plants shortage in the caza and will create employment opportunities for the local population.

Competition
The main competition for this project will be the following large plants nurseries:

Moreover, in the caza of Bint Jbeil there are 4 small plants nurseries, one of them in Al Tiri, 2 in Kounine, and 1 in Rmeish.
In fact, this project consists in developing a modern medium size plants nursery, which would be able to develop its market initially in Hasbaya and gradually in neighboring cazas of Marjeyoun, Bint Jbeil, and Nabatieh.
Thus, the main competition consists in larger sized plants nurseries which could cut their price margins with the high volumes achieved. However, the plants nursery will have to build steadily its own clientele, by offering quality service. Moreover, it will allow transport cost savings to the individual farmers in the area.

Target market
The plants nursery will mainly target Hasbaya farmers as well as neighboring cazas of Marjeyoun, Bint Jbeil, and Nabatieh.

Swot Analysis

STRENGTHS	WEAKNESSES
One of the main advantages offered by the plants nursery is its proximity to the clients and thereby, the cost savings in transport charges could be transmitted to the clients. Another major strength to be offered by the plants nursery is the high quality plants and trees that it would strive to offer. It will be capitalizing on maintaining high quality service and products in order to build its own clientele.	The main weakness for the plants nursery will be the highly seasonal activities, which will essentially rely on the spring and autumn seasons. However, the plants nursery could also sell agricultural tools and materials to farmers, which should allow a more or less stable demand during the low seasons.
OPPORTUNITIES	**THREATS**
A major opportunity in Hasbaya caza is the limited number of quality plants and trees suppliers. In fact, the existing plants nurseries are traditional and informally run. Thus, there is an opportunity to serve the region through differentiated and higher quality service and products. An important issue in agriculture is the reliability and trust of the supplier in providing quality plants, hence, a well-managed plants nursery would be able to grab market share.	Cost Structure: The plants nursery requires important investments as well as running costs. Thus, it will place high pressure on the business to perform well in a short period of time. However, this type of business requires some delays between the time of investment and the time to start collecting revenues. Indeed, there is a waiting period for the seeds to grow into seedlings and later on into saplings (for trees, which would also require grafting). The business should be well funded in order to be able to persist. Competition: A number of large sized competitors exist in the main cities of Sour and Saida and other areas on the coast. However, the plants nursery should be able to compete with the existing ones in Hasbaya, which are traditional and small and do not offer the same level of products and services as the ones planned. Economic: The economic recession in the country and particularly in the caza of Hasbaya has been affecting all businesses, which has been suffering from low demand for products and services

Marketing Plan

The plants nursery's main marketing objectives involve:

- Building a loyal clientele by offering good quality products (quality seedlings and saplings provide better harvests) and reliable services (delivery on time).
- Intensive public relations efforts, through direct contacts with the largest number of farmers, to build a reputation of quality supplier of seedlings and

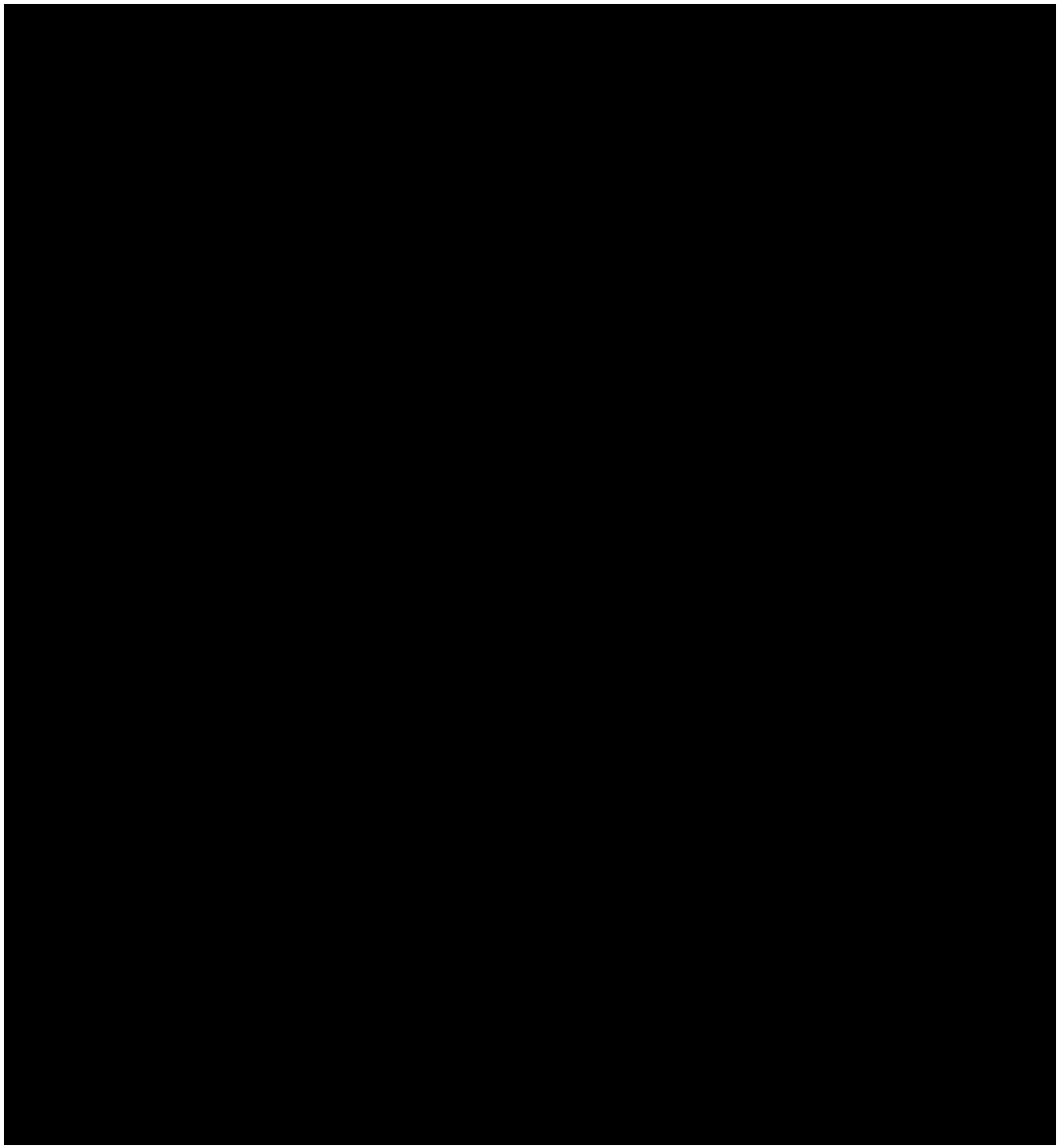
saplings in the caza as well as neighbouring cazas of Marjeyoun and Bint Jbeil. In fact, the best marketing tool in this business is the word-of-mouth from satisfied clients.

- Placing efforts to advertise the opening of the nursery by distributing informative flyers, which would describe the new and high quality seedlings and other materials for farmers offered. These flyers would be distributed to cooperatives and municipalities around the caza as well as in neighbouring cazas.
- Pricing the products according to market levels, while offering discounts on quantities. The transport cost savings and convenience should be the major incentives for people in the caza to buy their needs from the plants nursery.

Financial Plan

This section details the calculations, assumptions and methodology used as a basis for the projections of the expected financial performance of the plants nursery.

Initial Investment



It is assumed that the land will be rented out at a long-term lease (25 years) for an annual budget of $1,000 per year. The land area is assumed to be 5,000 square meters.

4,000 square meters will be used for the plants nursery and 1,000 square meters will be prepared for parking space. A fence will be built around the whole premises. An area of 100 square meters is planned for offices and storage of tools and materials.

A greenhouse with an area of 800 square meters will be built, as well as 3,000 square meters of shaded area for the seedlings and saplings.

The pots are included in the initial investment, as they will be continually reused for a number of times before being replaced. A deposit will be taken from customers, which will be refunded upon return. This way, the nursery will keep its prices affordable to the average farmer and will be able to recycle the use of its pots.

The following table shows the main beginning inventory of seeds, soil, and fertilizers:

Beginning inventory

Description	Quantity	Unit cost	Amount	
Carob trees	5,000	0.42	2,100	Should be grown to reach 50-60 cm, then grafted with the variety chosen
Pine trees	15,000	0.28	4,200	Will grow to around 1 m tall within a year
Olive trees	10,000	0.42	4,200	Same as caroube, should be grafted with varieties
Seeds spring season				
Seeds tomatoes (Tiba)	20,000	0.036	728	
Seeds sweet pepper (Mercury)	10,000	0.001	14	
Seeds hot pepper (Angara)	5,000	0.0105	53	
Seeds melon (Mona)	20,000	0.049	980	
Seeds watermelon (Crimson sweet	10,000	0.007	70	
Seeds eggplant (Bravo)	20,000	0.015	308	
Seeds cucumbers (Thamin)	15,000	0.008	126	
Seeds sweet corn (Star)	10,000	0.006	56	
Seeds spring August/winter				
Seeds cabbage (Saturn)	30,000	0.001	42	
Seeds cauliflower (White magic)	30,000	0.007	210	
Seeds brocoli (Marathon)	10,000	0.017	168	
Seeds lettuce (Corsica)	15,000	0.0021	32	
Seeds red cabbage	5,000	0.010	49	
Potting soil (80 liters)	668	11.90	7,949	For vegetables plants
Peatmoss (300 liters each)	500	23	11,550	For trees
Red soil (20 cubic meters each)	2	140	280	For trees
Fertilizers NPK (ton)	1	700	700	For trees
Total			**33,814**	

MAJOR ASSUMPTIONS

The assumptions are based on market pricing levels, and expected sales volumes. They are conservative and take into consideration the economic situation of farmers in the caza.

The plants nursery will offer the following pricing structure:

Items	Unit price	% sold	Quantity	Revenues
Carob trees	6	75%	3,750	22,500
Pine trees	6.6	75%	11,250	74,250
Olive trees	4.8	75%	7,500	36,000
Seeds spring season				
Seeds tomatoes (Tiba)	0.091	100%	20,000	1,820
Seeds sweet pepper (Camelot)	0.0035	100%	10,000	35
Seeds hot pepper (Angara)	0.03	100%	5,000	131
Seeds melon (Mona)	0.1225	100%	20,000	2,450
Seeds watermelon (Crimson sweet	0.02	100%	10,000	175
Seeds eggplant (Bravo)	0.04	100%	20,000	770
Seeds cucumbers (Thamin)	0.021	100%	15,000	315
Seeds sweet corn (Star)	0.014	100%	10,000	140
Seeds spring August/winter		100%		
Seeds cabbage (Saturn)	0.004	100%	30,000	105
Seeds cauliflower (White magic)	0.02	100%	30,000	525
Seeds brocoli (Marathon)	0.04	100%	10,000	420
Seeds lettuce (Corsica)	0.005	100%	15,000	79
Seeds red cabbage	0.0245	100%	5,000	123
Total revenues			**222,500**	**139,838**

The prices are competitive while at the same time providing best quality seeds as was noted by Unifert Arbusta. The quantities sold are based on the beginning inventory sheet presented above, which has included the seeds and materials sufficient for the start of business. We made a conservative assumption that only 1 cycle of production will be sold, even if we know that the production will be able to do up to 4 cycles for each type of plant. Moreover, concerning the trees, we made a conservative assumption that only 75% of the trees will be sold, although the quantities are based on average market levels for similar plants nurseries.

The direct cost of materials for these seedlings and saplings are shown in the tables below:

The unit cost of the seeds includes the cost of potting soil for seedlings, and peat moss, red soil, and fertilizers for the trees. The above table shows the costs for the quantities expected to be sold for the first year of operation.

The sales growth rates are expected to be as follows:

- 8% in the 2nd year
- 5% in the 3rd year
- 3% in the 4th year
- 2% in the 5th year

Items	Unit cost	Quantity	Cost of goods sold
Carob trees	1.95	3,750	7,305
Pine trees	1.81	11,250	20,341
Olive trees	1.95	7,500	14,610
Seeds spring season			
Seeds tomatoes (Tiba)	0.069	20,000	1,383
Seeds sweet pepper (Camelot)	0.034	10,000	341
Seeds hot pepper (Angara)	0.043	5,000	216
Seeds melon (Mona)	0.082	20,000	1,635
Seeds watermelon (Crimson sweet	0.040	10,000	397
Seeds eggplant (Bravo)	0.048	20,000	963
Seeds cucumbers (Thamin)	0.041	15,000	617
Seeds sweet corn (Star)	0.038	10,000	383
Seeds spring August/winter			
Seeds cabbage (Saturn)	0.034	30,000	1,024
Seeds cauliflower (White magic)	0.040	30,000	1,192
Seeds brocoli (Marathon)	0.050	10,000	495
Seeds lettuce (Corsica)	0.035	15,000	522
Seeds red cabbage	0.043	5,000	213
Total expenses		**222,500**	**51,636**

Other assumptions

The table below shows the income statement assumptions. It is assumed that waste will constitute around 10% (bad seeds, bad seedlings, non-sold seedlings, etc…). The cost of goods sold is assumed to be at 37% of sales.

The project is assumed to be a simple establishment and hence a 2% income tax rate is applied.

Income Statement Assumptions	
COGS	37% of sales
Annual increase in general expenses	2%
Waste	10% of production
Maintenance expenses	0.8% of sales
Annual increase in salaries	2% annually
Increase in rental expenses	5% every 3 years
Income tax	2%

The following table shows the balance sheet assumptions.

Balance Sheet Assumptions	
Accounts Receivable	3 month of sales
Inventories	1 month of cost of sales
Accounts payable	1 month of cost of sales
Expenses payable	20% of general expenses

It is assumed that around 3 months of sales will be sold on credit for farmers. Inventories will constitute around 1 month of cost of sales, accounts payable to suppliers is around 1 month of cost of sales, and the expenses payable constitute 20% of general expenses.
The following depreciation rates will be used:

DEPRECIATION RATES	
Construction	2.5%
Equipment	10%
Furniture	7.5%
Vehicles	12%
Computers & Office Equipment	20%
Establishment Costs	33%

Projected Income Statement

The following income statement is based on conservative assumptions of revenues as well as costs.

PLANTS NURSERY							
Projected Income Statement	**Year 1**	**Year 2**	**Year 3**	**Year 4**	**Year 5**	**Year 6**	**Year 7**
Projected growth in sales		5%	5%	3%	2%	1%	0%
Total Revenues	**139,838**	**146,829**	**154,171**	**158,796**	**161,972**	**163,592**	**163,592**
Cost of sales	51,636	54,218	56,929	58,637	59,809	60,407	60,407
Waste	5,164	5,422	5,693	5,864	5,981	6,041	6,041
Salaries & wages	12,300	12,300	12,300	12,300	12,300	12,300	12,300
Depreciation expenses	6,818	6,818	6,818	6,818	6,818	6,818	6,818
Total cost of sales	**75,918**	**78,758**	**81,740**	**83,618**	**84,908**	**85,566**	**85,566**
Gross margin	**63,920**	**68,072**	**72,431**	**75,177**	**77,063**	**78,025**	**78,025**
Gross profit margin%	46%	46%	47%	47%	48%	48%	48%
Expenses							
Rental of land	5,000	5,000	5,000	5,250	5,250	5,250	5,513
Utilities:Electricity,water,telephone	6,000	6,120	6,242	6,367	6,495	6,624	6,757
Maintenance expenses	1,119	1,175	1,233	1,270	1,296	1,309	1,309
Supplies	1,200	1,224	1,248	1,273	1,299	1,325	1,351
Salaries-Administrative	15,000	15,300	15,606	15,918	16,236	16,561	16,892
Other expenses	3,000	3,060	3,121	3,184	3,247	3,312	3,378
Depreciation expenses	2,412	2,412	2,412	1,945	1,945	1,145	1,345
Total General & Administrative Exp	**33,730**	**34,290**	**34,863**	**35,208**	**35,768**	**35,527**	**36,546**
EBIT	**30,189**	**33,781**	**37,568**	**39,970**	**41,295**	**42,499**	**41,480**
Operating profit margin	22%	23%	24%	25%	25%	26%	25%
Tax expenses	604	676	751	799	826	850	830
Net Income	**29,585**	**33,106**	**36,817**	**39,170**	**40,469**	**41,649**	**40,650**
Net profit Margin	**21%**	**23%**	**24%**	**25%**	**25%**	**25%**	**25%**

The average annual net profits will be around $37,349 per year and the average annual net profit margin will be around 24%.

Projected Balance Sheet

The balance sheet shows the projected assets and liabilities of the company.

PLANTS NURSERY

Projected Balance Sheet	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Cash & Equivalents	15,245	5,945	5,270	6,117	4,667	6,342	17,774
Accounts Receivable	34,959	36,707	38,543	39,699	40,493	40,898	40,898
Inventory	4,303	4,518	4,744	4,886	4,984	5,034	5,034
Current Assets	**54,508**	**47,170**	**48,557**	**50,702**	**50,144**	**52,274**	**63,706**
Construction	158,900	158,900	158,900	158,900	158,900	158,900	158,900
Equipment	28,457	28,457	28,457	28,457	28,457	28,457	28,457
Furniture	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Office equip, computers	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Vehicle	6,000	6,000	6,000	7,000	7,000	7,000	8,000
Accumulated Depreciation	*9,230*	*18,460*	*27,689*	*36,453*	*45,216*	*53,179*	*61,342*
Net Fixed Assets	**191,127**	**181,897**	**172,667**	**164,904**	**156,141**	**148,178**	**141,014**
Total Assets	**245,635**	**229,067**	**221,224**	**215,606**	**206,285**	**200,451**	**204,720**
Accounts payable	4,303	4,518	4,744	4,886	4,984	5,034	5,034
Expenses payables	6,746	6,858	6,973	7,042	7,154	7,105	7,309
Owners' Account	200,000	150,000	105,000	60,000	10,000		
Total Liabilities	**211,049**	**161,376**	**116,717**	**71,928**	**22,138**	**12,139**	**12,343**
Invested Capital	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Retained Earnings	29,585	62,691	99,508	138,678	179,147	183,312	187,377
Shareholders Equity	**34,585**	**67,691**	**104,508**	**143,678**	**184,147**	**188,312**	**192,377**
Total Liab. & Shrholders Equity	**245,635**	**229,067**	**221,224**	**215,606**	**206,285**	**200,451**	**204,720**

Stat. Of Retained Earnings	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Begin. Retained Earnings		29,585	62,691	99,508	138,678	179,147	183,312
Net income	29,585	33,106	36,817	39,170	40,469	41,649	40,650
Dividends Paid						37,484	36,585
Ending Retained Earnings	**29,585**	**62,691**	**99,508**	**138,678**	**179,147**	**183,312**	**187,377**

The owner's account will be fully reimbursed by year 5 and the company is expected to start distributing dividends of $90% of net profit margin starting in year 6.

Projected Cash Flows

The following table shows the projected cash flows of the plant.

PLANTS NURSERY

STATEMENT OF CASH FLOWS	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Net income	29,585	33,106	36,817	39,170	40,469	41,649	40,650
Adjustments to reconcile net income to cash provided by operating activities							
Depreciation	9,230	9,230	9,230	8,763	8,763	7,963	8,163
Changes in receivables	(34,959)	(1,748)	(1,835)	(1,156)	(794)	(405)	-
Changes in inventories	(4,303)	(215)	(226)	(142)	(98)	(50)	-
Changes in payables	11,049	327	340	211	210	2	204
Total Adjustments	***(18,983)***	***7,594***	***7,509***	***7,676***	***8,081***	***7,510***	***8,367***
Cash provided by operating activities	**10,602**	**40,699**	**44,326**	**46,846**	**48,551**	**49,159**	**49,017**
Cash Flow from Investing Activities							
Capital expenditures							
Investment in fixed assets	(200,357)	-	-	(1,000)	-	-	(1,000)
Net cash used in investing activities	**(200,357)**	**-**	**-**	**(1,000)**	**-**	**-**	**(1,000)**
Cash flow from financing activities							
Invested Capital	5,000	-	-	-	-	-	-
Owners' Account	200,000	(50,000)	(45,000)	(45,000)	(50,000)	(10,000)	-
Cash Withdrawals by Owners	-	-	-	-	-	(37,484)	(36,585)
Cash provided by financing activities	**205,000**	**(50,000)**	**(45,000)**	**(45,000)**	**(50,000)**	**(47,484)**	**(36,585)**
Cash at beginning of year	-	15,245	5,945	5,270	6,117	4,667	6,342
Changes in cash	15,245	(9,301)	(674)	846	(1,449)	1,675	11,432
Cash at end of year	**15,245**	**5,945**	**5,270**	**6,117**	**4,667**	**6,342**	**17,774**

The projected cash flows show the initial net investment in fixed assets. It also shows the net invested capital by the owners. The distributed dividends are shown starting in year 6.

Ratio analysis

Ratio Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Average
Liquidity Ratios								
Current Ratio	0.26	0.29	0.42	0.70	2.27	4.31	5.16	**1.91**
Quick Ratio	0.24	0.26	0.38	0.64	2.04	3.89	4.75	**1.74**
Working Capital	-156,541	-114,206	-68,159	-21,226	28,007	40,135	51,363	**-34,376**
Profitability Ratios								
Gross Profit Margin	46%	46%	47%	47%	48%	48%	48%	**47%**
Operating Profit Margin	22%	23%	24%	25%	25%	26%	25%	**24%**
Net Profit Margin	21%	23%	24%	25%	25%	25%	25%	**24%**
Financial Strength								
Total Debt to Owners' Equity	6.10	2.38	1.12	0.50	0.12	0.06	0.06	**1.48**
Management Effectiveness								
Return on Assets=ROA	12%	14%	17%	18%	20%	21%	20%	**17%**
Return on Equity=ROE	86%	49%	35%	27%	22%	22%	21%	**37%**
Return on Investment = ROI	15%	18%	21%	24%	26%	28%	29%	**23%**
Sales / Business Days (360)	388	408	428	441	450	454	454	**432**
Asset Management (Efficiency)								
Total Assets Turnover: Sales/tot assets	57%	64%	70%	74%	79%	82%	80%	**72%**
Total Debt to Total Assets	86%	70%	53%	33%	11%	6%	6%	**38%**
Working Capital Cycle								
Days Sales Outstanding	90	90	90	90	90	90	90	**90**
Days of Inventory	30	30	30	30	30	30	30	**30**
Days of payables	30	30	30	30	30	30	30	**30**
Working Capital Turnover=Sales/Working Capital	-0.9	-1.3	-2.3	-7.5	5.8	4.1	3.2	**0.16**

The current ratio, which is current assets divided by current liabilities, increases rapidly with the increase in sales. The same could be said about the quick ratio, which is similar to the current ratio but excludes inventories. These ratios show the ability of the company to meet its short-term obligations from its current assets.

The gross profit margin increases over the years with an average of 48%. The operating margins as well as the net profit margins increase as the company's sales increase.

The return on average assets, which is computed by dividing net profits by total assets, shows how much profit the company is able to achieve from the use of its assets. This ratio increases over the years with sales growth.

Return on investment also increases over the years and reaches 29% in year 7.

Total debt to total assets decreases rapidly as the liabilities, namely the owner's gets fully paid off. .
The days of receivable are based on 3 months of sales. The days of inventory are based on 1 month and the payables are based on 1 month of cost of sales.
The internal rate of return is 21% and the payback period, which is the period necessary to pay back the investment, is 5years and 3 months.

Break-even analysis
The following table shows the annual revenue levels needed for the plants nursery to break even. Thus, an average of $80,680 per year is a minimum level of revenues for the plants nursery to break even.

PLANTS NURSERY

BREAK-EVEN ANALYSIS	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Total Revenues	139,838	146,829	154,171	158,796	161,972	163,592	163,592
Total Variable Costs	57,918	60,814	63,855	65,771	67,086	67,757	67,757
Total Fixed Costs	46,566	46,812	47,055	47,192	47,610	47,295	48,314
Break-even revenues	**79,489**	**79,909**	**80,324**	**80,558**	**81,270**	**80,734**	**82,473**

Sensitivity analysis
A worst-case scenario is developed, whereby only 20,000 trees are sold per year and 156,000 plants per year. In this case, the average profitability is $29,512 and the internal rate of return drops to 16% and the payback period is 6 years and 3 months.
A best-case scenario assuming that 100% of the trees production and 200% of the seedlings production are sold, this is equivalent to 2 cycles for the seedlings per season. This scenario involves sales of 30,000 trees and 400,000 seedlings per year. In this scenario, the average net profit is $64,726 and the IRR is 33%, while the payback period is 3 years and 7 months.

Sensitivity analysis	Worst-case	Most likely	Best-case
Number of plants sold per year	156,000	200,000	400,000
Number of trees sold per year	20,000	22,500	30,000
Average net income	29,512	37,349	64,726
Average net profit margin	21%	24%	30%
Internal rate of return	16%	21%	33%
Payback period in years	6 years 3 months	5 years 3 months	3 years 7 months

In order to achieve good results, the plants nursery should be well managed with intensive marketing efforts and consistently providing high quality seedlings and saplings as well as excellent service.

Recommendations and key success factors

In order to achieve good results, there are some key success factors that are crucial for the performance of the plants nursery:

- The plants nursery should ensure the quality of its products from the start, i.e. from the procurement stage; it should make sure to obtain seeds from reliable and professional sources in order to produce good quality seedlings and saplings. It is very important to guarantee the quality of the production in order to gain the trust of the farmers. In fact, word-of-mouth is the most effective way to gain market share and build a reputation. This will guarantee the sustainability of the business.
- Providing a personalized service, which ensures the total satisfaction of the farmers, is important to keep them coming back. They should feel that the nursery is a reliable support for their business.
- Prices should be competitive in order to attract the highest number of farmers. The nursery would provide discounts on quantity sales.
- The manager should constantly monitor the market trends in order to supply the farmers with their needs. For example, if some types of seedlings are less demanded, while others are gaining in importance, it is important to quickly follow the demand trends. The nursery could eventually increase its product line to include other demanded types of plants and trees.

Economic Impact Evaluation

The plants nursery **will create 7 jobs in Hasbaya**. It will help supply farmers with their needs in vegetable plants and trees. This will avoid transport costs, and allow the farmers to concentrate on their own production. Moreover, those who need ornamental trees such as pine trees, or cypress, and other trees for landscaping will be able to obtain their needs from the nursery, instead of having to go to Sour or Saida. Of course, this will depend on the quality and competitiveness of the products and services that the plants nursery will offer. It is important to note that the plants nursery will not create any harm to the environment, since all materials are of natural origin, i.e. seeds, soil, and fertilizers.

GUIDELINE 3.4: Feedback meeting on decisions taken and desired project

When: Week 25 (15 - 21 June 09)

Where: if it logistically possible all potential participants are brought together in one meeting; if not the feedback meeting is organized in each cluster separately

Participants

- Local team
- All interested producers
- MSF-coordinator

Aims

- To present an overview of the activities realized since the introductory meeting and the farmer participation in these activities
- To present the results of the diagnosis stage and the proposed project (proposed technical and organisational innovations in the product market chain of the selected product)
- To get the commitment of the producer groups and start the registration of interested participants
- Agreements on next steps in the procedure

Preparations

- The local team prepares
    - An overview of what has been done so far (show participation of producers and experts in diagnosis and planning)
    - A sort explication of the selected MoPO (product + main proposed technical and organizational innovations; see tool 3.4.2 Matrix to present the proposed innovations)
    - A summary of the main results of the market analysis and business planning (see tool 3.4.1 Matrix to present results of the market analysis and business planning)
    - A short presentation on the organisation of the project (UPFS groups, in each meeting training activities and planning of the activities to be done in the project in the coming weeks)

  Copy the matrices on large sheets of wall paper using big letters
- The local team discusses what criteria for producer selection and participation will be suggested to the farmers (mix male/female?, interest or actual involvement in market oriented production?, minimum land holding? or minimum number of animals?, access to water?, willingness to participate in a group savings and credit scheme, distance from a central place?, willingness to participate in the UPFS meeting (1-2 meetings/month), etcetera)

- A convenient place and time is selected (especially the convenience for women!)
- The local producers are timely invited (both male and female household members) through the farmer representatives in the local FStT team and other group leaders.
- Planning who will chair/facilitate the meeting (the FStT coordinator together with a farmer representative in the local team?) and which persons will make the various presentations (also involve the farmer representatives in the local team in this task) and who will make notes during the meeting and how (on what level of detail).

Implementation

- Welcome by the leader of the producer organisation (if existing) or a representative of the producers in the local team
- Explication of the aims of the meeting and its agenda (5 minutes)
- Presentation by the local team (team members do parts of the presentation) on:
    a. What has the local team done since the Introductory meeting (5 minutes)
    b. Explication of the selected MoPO and summary of the main proposed technical and organisational changes (see the paragraph operational process of the business plan) (10 minutes)
    c. Short round of questions (max 10 minutes; don't let it go on too long; explain that the participants will get more chances to ask questions later on)
    d. Presentation of the main results of the market analysis/business planning (especially economical aspects) 10 minutes
    e. Short round of questions (max 10 minutes)
    f. Short presentation on the organisation of the proposed project (5 minutes)
    g. Ask the audience to discuss for some ten minutes **with the people sitting next to them** what they think of what they have heard so far and what questions remain (10-15 minutes).
    - The chair person asks the audience to share their reactions and remaining questions. Main comments and questions are noted on cards and sorted in groups by a team member (while the chair collects the comments and questions) and posted on a sheet of wall paper, followed by plenary discussion of main issues (groups) (max 30 minutes).
    - The discussion is summarized by the local coordinator. Not all issues have to lead to a consensus. Some discussions may lead to formulation of a task for the local team to further investigate or develop certain aspects in the coming period.
    - One of the farmer representatives in the local FStT team presents a number of considerations regarding the preferred type of participants for this project (criteria are written on a sheet of wall paper) followed by a brief discussion on the criteria (for self-selection)
    - Interested/committed producers register themselves (others may still do so in the coming months)
    - The local coordinators explains the next steps in the process and makes appointments (who, when, where) for the first cluster/UPFS meetings and thanks the participants for their participation

Tools/Materials:

- Tool 3.4.1 Matrix to present the results of the market analysis
- Tool 3.4.2 Matrix to present the proposed technical and organizational innovations

Outputs/Reporting:

- **Report on the feedback meeting,** containing:
  - Matrix proposed technical and organizational innovations and Matrix results market analysis/business plan
  - Main issues raised by the producers regarding the above and the conclusions/tasks agreed upon (as summarized by the local coordinator)
  - The results of the discussion on the participation criteria
  - The provisional list of participants in the FSTT project.

TOOL 3.4.1: MATRIX TO PRESENT RESULTS OF THE MARKET ANALYSIS/BUSINESS PLAN FOR THE MoPO

Note: the matrix is a suggestion. Please analyze in the local team which other data might be important to present. Be careful not to overload the participants.

Production potential of this product (productivity in local growing conditions) is: ?? (high, medium. low)	
Production risks (pests, diseases, drought, etcetera) are ?? (high, medium, low)	
Labour needed to grow this product is: ?? days /unit	
New equipment and infrastructure needed are**:** Related **investment** is ?? per unit Of this investment ?? /unit can be covered by the project	
Costs of inputs needed are ??/unit	
Potential buyers are:	
Prices these buyers are willing to pay are ?? per unit, when delivered at ??	
Estimated **net profit /unit**	
Market risks (fluctuations in demand and prices) is (high, medium, low)	
Minimum **quantity** requested by above mentioned buyers is ?? units per period (specify for different buyers	
Minimum **quality** requirements are (including sanitary requirements):	
Required **delivery conditions** (where, in what form, etc) are:	
Terms of payment	
Other requirements (e.g. legal requirements)	
S**upport needed from other organisations and to what extent that support is secured**	

TOOL 3.4.2: MATRIX TO PRESENT THE PROPOSED TECHNICAL AND ORGANIZATION INNOVATIONS IN THE SELECTED MARKET CHAIN

Note Rather than a matrix one might make a drawing of the production/marketing cycle (seasonal calendar) indicating the operational process with important technical and organisational issues.

	Proposed Technical innovations	**Proposed Organizational innovations**
Pre-production stage (inputs, credit, access to land and water)		
Production stage		
Post-harvest stage (processing and marketing)		

THEMATIC TEXT 3.5: Urban Producers Field School (UPFS): a method to enhance the innovative capacity of urban producers

Introduction

The farmer field school method (FFS) was born in the nineteen-eighties in Asian countries in order to improve the control of pests and diseases in rice production by integrated pest management (IPM). Different organizations applied the FFS-method with good results and the method spread rapidly over the world to promote integrated pest management in rice but also in other crops like potato. At this moment the FFS method is applied also in other aspects and sectors of agricultural production. The method is often applied to educate agricultural producers with an emphasis on optimal use of farmers' existing knowledge and analytical capacity and observation and practicing in the farmers' fields.

This text is an introduction to the principles and elements of a farmer field school in the urban agricultural context as an effective way to stimulate local knowledge, exchange of experiences and strengthen local innovation capacity.

What is an Urban Producer Field School?

An Urban Producer Field School is not a classical school but it is a participatory training/extension approach that applies learning by discovery, learning by doing and farmer to farmer exchange. The UPFS in our case is formed by all producers participating in the FStT innovation project and facilitated by the local FStT team, while resource persons will provide inputs. The UPFS is characterized by:

- ***Frequent group meetings on key topics:*** A UPFS refers to a group of producers that meets with a certain regularity (e.g. every 2-3 weeks) during a certain period of time (generally during one or more complete production and marketing cycles of a certain product) in order to exchange and analyze experiences and learn together.

- ***The field is the classroom***: The UPS group normally meets in a farmer's field, a testing or demonstration centre, a place where other farmers already produce this product or other location involved in the production chain (the cooperative with storage facility, a processing unit, a shop, etcetera). The participants meet in the production or processing site in order to make it possible to observe the processes the training is about and to discuss such observations in order to draw lessons. Also in these sites, the participants can learn to apply certain practices (hands on), which is less feasible in the classroom. Combinations may be used: part of the session in a local school, training or community centre and partly outdoors in the gardens, in the shed where the livestock is kept, in a micro-enterprise, on the market, etcetera. For each session the best location(s) to observe and discuss certain issues and apply certain practices will be selected. Not necessarily the best location is the place where a good example can be seen, but may include locations where certain problems can be observed and discussed. One should take care not to hold all sessions at one "demonstration" farm: that location might not be representative for all group members and the participants might get the (wrong) idea that the project will show everything first on the demonstration farm, while the set up is that all things discussed in the UPFS will be applied by all group members (either individually or as a collective undertaking) directly after each session in which that topic/those practices were discussed. Discussion of the risks related with the recommended practices there for is an important part of an UPFS programme. Unacceptable risks might be shared by project and participating producers (often in the form of subsidized inputs; see also the Guideline 4.3 on Savings systems and revolving funds)

On the left: Dutch farmers, members of a study club, discuss solutions for certain problems in the production of cabbages; On the right: Producers in Nicaragua discuss banana production issues.

- ***In accordance to the production and marketing cycle:*** The UPFS training coincides at all moments with the planned operational process for the most promising product (MoPO) All UPFS group meetings are held just before certain new activities have to be implemented and focus on those activities. For example, the UPFS would train farmers about a new method of sowing at the moment that the rains are just beginning so that it is possible to practice this in the field and before farmers start sowing themselves. See also the Mushroom example provided in Guideline 3.5.1 on Design of an UPFS programme. This will demand a very good planning, because it may be that certain activities can only be practiced during a specific period of the year. In this way, the farmers can be trained in realistic conditions and can apply directly what they learned in the UPFS in their own fields or start implementing joint activities after the meeting. Moreover, experiences gained and problems encountered in practice can be discussed during the next meeting.
  By doing so, the UPFS will be the back bone of the stepwise introduction of the MoPO: just before each planned action, while the productive cycle progresses, the group members meet to (a) discuss experiences gained and problems encountered during application of what they learned in the last training, (b) to be trained in the (technical and organizational) practices that are important in the next period and (c) to plan the activities to be undertaken in that period (individually and as a group).

- ***Technical and organisational aspects*** There are some important differences between the traditional Farmer Field School (FFS) and our Urban Producers Field School (UPFS). The Traditional FFS focuses mainly on the primary production aspects, while in UPFS we will carry it forward to processing and commercialization issues. Moreover, the Farmer Field Schools focus mainly on technical issues, while in UPFS we also will give attention to the organizational aspects of the selected MoPO.
  Hence, the overall objective of an UPFS would to jointly learn in a practical and participatory way about the technical and organizational aspects of the production and local marketing of a certain product **while** stepwise organising and implementing these activities (**"learning for and from action"**).

During the UPFS the producers gradually will start playing a more important role in the organization of the group meetings (and even might have extra meetings without the FStT facilitator) so that these become less dependent on the NGO and start functioning more independently.

Why UPFS?

- ***Adult learning; Farmer to farmer; Learning by doing:*** The farmer field school method is so successful because it treats the participants as adults that can observe, argue and practice for themselves and links with the traditional ways of learning of the farmers: learning by observation and problem solving, learning by exchanging experiences with other producers, through "learning by doing" and trying out at a small scale locally. Research has shown that the assimilation of knowledge is much higher when participants can try out new things for themselves, rather than just listening to a presentation or watching an –often very superficial- "demonstration". Since the emphasis in an UPFS is on observing, discussion, practicing rather than on "lectures" and written documents, the method is also appropriate for producers with a low level of education and illiterates. However, also farmers in Western countries with high levels of education, apply the principles of the Farmer Field Schools, then often called "farmer study clubs", with success.
  During UPFS group meetings the producers exchange their experiences in their own language which makes understanding much higher, while outside resource persons often talk in another language (or in a style of speaking that is foreign to them). Moreover, the experience of another producer is often more convincing than a theoretical presentation of an expert, who may not have hands on experience him/herself or not know the local real practical conditions of production. Especially people with a low level of formal education are used to learn by copying from their elders or influential neighbours. Hence, group meetings on a location where that new practice is already in use and where a local farmer or small scale entrepreneur can explain these, are very powerful.

- ***Problem solving skills; Innovation capacity***: But there is another important element: the Producers Field Schools not only are an effective means to train the producers, but also allow them to enhance their innovation capacity, since the UPFS learns them to systematically observe, analyze, draw lessons, try out in their own fields, discuss their own findings with those of other producers and compare experiences, etcetera. That is to say: they have learned to learn: to systematically observe, analyze, reflect, draw conclusions themselves.

The role of the facilitator

The staff the local NGO-FStT will act as the facilitators of the UPFS. In order to be able to fulfil the role of facilitators in the UPFS, these staff need to have or acquire certain attitudes and skills (e.g. positive attitude towards the existing knowledge and thinking capacities of farmers, ability to engage in horizontal communication with farmers, creating interesting learning opportunities, guiding the learning process, providing inputs in an attractive way, building up the group process, etcetera) and knowledge of the learning principles of an UPFS. Next to technical agricultural knowledge, social, communication and management skills are of importance.

The tasks of the facilitator in the UPFS is basically twofold:
1. Creating good learning opportunities for the participants
2. Guiding the learning process and structuring / summarizing lessons learned

Ad 1. <u>Organizer of learning opportunities</u>

The specific learning objectives of the UPFS can be directly derived from the list of desired technical and organizational changes identified in the diagnosis and project planning stage (see further guideline 3.5.1 UPFS design),

In order to realize the specific objectives of a certain session, various learning activities may be organized, which may include activities like:

- Organizing an **exchange of experiences among the UPFS group members.** This is useful in case they already have some experience already on the topics of that session. The exchange will allow to analyze the existing experiences, analyze problems, evaluate pros and cons of certain solutions applied and draw some lessons (how analyze to improve).
- Inviting an **experienced farmer or other resource person with practical experience** who may share his/her experiences, do a demonstration and assist the UPFS group members in doing a practical exercise themselves
- Bring the producers to a **location** where they can **observe and analyze** a **certain problem**, divide them in small groups to analyze the problem, identify possible causes and to come up with solutions; Thereafter the participants will discuss a. the causes one detected (and show how you diagnose the causes) and b. the potential solutions, discussing pros and cons of each of them (and sharing additional knowledge if required). In Bolivia, for example, in an IPM course, farmers collected some insects in their fields that caused substantial damage and observed these during some time in order to develop a better understanding of the life cycles of the insect and to discover how they multiply.

Bolivian farmers studying the life cycle of damage causing insects

- **Visiting a site where the new practices are applied already** and where the participants can to producers or entrepreneurs and observe these new practices and try them out for themselves (study visits)
- Organize a **demonstration** of the new practices and thereafter let the producers practice these for themselves and suggest improvements while doing so

- However, the facilitator -or invited resource person- may/should also **provide inputs into the learning process**, especially if the subject is outside the actual experiences of the local producers. Preferably the resource person will provide these inputs on the subject in an attractive and practical way, and as visual as possible. Such an input by the facilitator or resource person should be followed by practical exercises and discussion among the producers.

In all examples above, the central element is: provide the trainees with the **opportunity to learn** something: to observe, to analyze, to discuss, to practice. Please observe that **the participants** have a very **active** role and how this differs from conventional class room training with the trainer/lecturer as the main active person and the participants mainly in a passive listening mode.

Of course, the selection of the learning activities should be directly related to the selected MoPO and the identified technical and organizational changes that are needed, as specified by the learning objectives for the UPFS in general and for each session in particular.

One should also keep in mind that the learning activities can be directed to the organizational as well as technical aspects of the MoPO innovation.

For example when visiting an herbs drying plant one may look at the technologies used to clean, dry and package the herbs. But one may also look into organizational issues like how the production of herbs is planned in such a way that the processing plant has a constant inflow of primary materials, how the quality control is organized, how the management of the plant is done, how decisions are made regarding the price of the products or the use of benefits obtained, etc.

Ad 2. Guiding the learning process

Normally the training will start by the facilitator providing a short introduction to the topic and an explanation why it is important. Adults have difficulty to learn something new if it is not clear from the start **what** will be discussed and **why** they should learn about that. Therefore, at the start of the UPFS, the relation between the innovation project / the selected MoPO and the main topics of the UPFS should be well explained and made clear that the UPFS is the main vehicle through which the innovation project will be realized (learning/applying/learning/applying).

At the start of each group meeting the facilitator will clearly explain the **learning objectives** and topics of that meeting. When initiating a new activity the facilitator will explain **what** will be done and **how** and **what is expected of the participants**. During the activity, the facilitator will assist persons or sub-groups that are not clear on what they are supposed to do. During practical work the facilitators observe the participants performing and praise correct practices and correct errors. At the end of each activity, the facilitator will **summarize the main lessons learned** from that specific activity. At the end of the training he/she will do that again for all main learning points of that session (see also the learning objectives for this session).

The facilitator will also monitor the **social process in the group** and encourage an open and friendly atmosphere and an ambiance of mutual trust and horizontality. The observations made during the training can be used at the end of the group meeting when group building is discussed.

During each UPFS group meeting the facilitator will apply the same **structure of the meeting**:

1.Welcome, maintaining participation register and presentation of an agreement on the agenda of the meeting (NB During first meeting also: self-introductions by the participants and overall explanation and planning of the UPFS)
2. Review of last week's session; Discussion of problems encountered and how to solve these
3. Learning activities related to the key theme of the session often involving a resource person (experienced farmers, other stakeholder, expert, visit) related to the coming period in the operational process of the MoPO;
4. Organization of the activities to be realized in their own fields or jointly in the time till the next meeting
5. Agreements on topics, date/time, location of next session
6. Evaluation of group process; strengthening group dynamics
7. Summary of the main learning points and commitments made in this session and closure

Frequent difficulties in UPFS

As indicated above the implementation of a farmer field school requires proper preparation and organization.

The design of a UPFS can be simple and of low costs. For more complex innovations requiring a prolonged and intensive UPFS, the costs may be relatively high, although the focus on realizing the group meetings at critical moments in the production/marketing cycle enhances efficiency. The costs of the UPFS may be higher than conventional training due to the costs due of transport to realize study visits to other farmer groups with experience and other sites of importance for the learning process. Such costs are justified if a) the UPFS leads to effective introduction of the MoPO and this innovation yields positive results for the participating households and b) the producer groups have enhanced their innovative / learning capacity in the UPFS.

An important problem for the realization of an UPFS is that urban producers often are poorly organized and that it may take considerable effort to get them accustomed to regular UPFS group meetings. This problem is further aggravated by the fact that urban producers often are not full time farmers but have other jobs too, making it more difficult to find a suitable moment for all group members to meet and time available for meetings might be more restricted than in rural areas. Consequence is that when organizing the UPFS a. the project should plan the meetings carefully with the members of each UPFS group and seek the best moments to organize the groups meetings and their optimal duration b. look into other problems that may obstaculize participation (especially of women with young children) and try to work out practical solutions for such problems (care for children, transport, allow accompanying males in Muslim countries, etcetera) c. to be clear from the start that participation in the innovation project includes participation in the group meetings.

Moreover, many urban producers are not “farmers” by birth but citizens that have turned to urban agriculture out of necessity or out of choice. This has disadvantages (e.g. their agricultural knowledge may be limited) as well as advantages (e.g. their openness for innovations and their understanding of the preferences of urban consumers might be higher).

Another problem for projects is sometimes its link with the production and marketing cycle, which may make it difficult to start the training process at a moment that it suits the organizers of the project. However, in most cases this problem can be overcome by just accepting that the UPFS does not start with the very beginning of the production process (which is most logical) but in another stage of the cycle. The UPFS would then cover at least (parts of) two production cycles (and preferably a third complete one).

In some UPFS we observed that “participation” became an objective in itself, with facilitators asking too much of the participants and being hesitant to guide the learning process in an effective and time efficient way. This may lead to too many and too long meetings and farmers gradually losing their interest due to the fact that the cost of participation becomes too high as compared to its results for the individual participant.

Further reading

AME-Foundation, no year. Modified Training of facilitators of FFS. AME-Foundation/FAO
CABI 2004, 2004 Discovery Learning Manual for pest management in the Caribbean- cabbage and Tomato. CAB International
Danida 2005 Farmer Field School Facilitators manual on Small-scale village poultry production. Network for smallholder poultry development.
ICP, 2006 Guía de Escuelas de campo de agricultores (ECA’s), International Coffee Partners ICP
FAO, 2007 Getting Started, running a junior famer field school, FAO Rome

GUIDELINE 3.5.1: Design of the Urban Producers Field School (UPFS)

Participants:

- Local team
- Regional coach
- Resource persons in (aspects of) the identified most promising option (MoPO)

When: after finalizing the business plan; 2 day workshop followed by 2 weeks detailed elaboration of the various sessions

Aims:
At the end of this workshop/2 weeks the participants will have:

a. A common understanding of what an Urban Producer Field School is and how it contributes to realize the MoPO
b. Made a complete design of the UPFS training programme and related session plans and training materials
c. Agreed on the roles and contributions of local team members and external resource persons
d. Agreed on the time line and start of the activities of the UPFS
e. Agreed on the logistics for the UPFS
f. Have prepared the monitoring and evaluation of the UPFS

Preparations
In the previous phase the most promising option was selected and the desired technical and organizational changes were identified. The UPFS will be installed as the "red thread" of the implementation of the innovation project: the place where the producers regularly meet to learn about the required new technical and organizational practices and where they plan together the next steps in the realization of their project. The UPFS will be the vehicle to enhance skills, knowledge and understanding of the urban producers involved in this specific productive chain.

The local team will prepare an agenda for the UPFS design workshop and the local coordinator will timely send invitations to the participants in this workshop providing them with sufficient information on the aims and agenda of the meeting, information on the selected option and the required technical and organizational changes, the business plan for the MoPO and the functioning of an UPFS.

Implementation

1. The UPFS design workshop

During this workshops the following activities will be implemented:

a. Clarification of what is an UPFS

First the main principles and functioning of an UPFS are discussed (see the thematic text on UPFS) until a common understanding is reached.

b. UPFS process flow chart

Based on a. the seasonal calendar (actual situation and new situation with MoPO) and b. the list with the desired technical and organizational changes for the MoPO, a flow chart is made, indicating which topics have to be covered in the UPFS at which moments in the process of production, processing and marketing. The moments to discuss a topic should be chosen such that in each group meeting those issues/activities are discussed/practiced that can and have to be implemented in the coming period. See the Mushroom example given below in Tool 3.5.1 UPFS Programme Schedule. The production calendar of the MoPO will give you clear indications which production, processing and marketing activities have to be performed during the year (one might have more than one cycle) and the related planning, administration and monitoring activities related to that. This provides you with a clear indication what will be the right moments to prepare a certain (technical or organizational) activity with the farmers and train them in the related knowledge and skills: the UPFS meetings you will organize. The optimal moment is shortly before farmers really have to perform certain activities so that they can practice what is taught directly and problems encountered and things observed in the field can be used in the next session to deepen understanding and knowledge.

The frequency of the UPFS meetings will vary with the training needs in each period and the MoPO at hand (if the UPS is on lettuces with a short cultivation cycle the frequency of the meetings will be much higher, than in project promoting the cultivation of apples). However, a certain regularity is important to maintain group dynamics and exchange of experiences. A good rule of thumb is one meeting every 2-3 weeks and both too intensive periods as well as long spells without a meeting should be avoided.

If the production-marketing process is of short duration, the UPFS may be repeated during the second or even third cycle, allowing to refine and consolidate learning and the inclusion of additional topics, as needs arise.

c. Defining the learning objectives of each group meeting of the UPFS

Now you will define the learning objective for each of the planned meetings of the UPFS. The learning objectives should be formulated in the form of what the producers should be **able to do** after that group meeting. In the mush room example (see below Tool 3.5.1) the learning objectives of session 2 could be formulated as follows: “after participating in this meeting the participants will be able to collect all materials and tools needed for the construction of the sheds, to select an adequate location for the shed, set out the right dimensions of the shed and prepare the surface properly, to construct the shed applying a logical sequence and the recommended construction practices and to explain what are frequent problems in the construction of a shed, their consequences, and how to avoid them”. If learning objectives are formulated in this concrete way and in terms of **behaviour** (performances) that can be **observed** in the field, it will be easier to evaluate the effects of the training

d. Session planning

For each meeting included in the UPFS programme schedule, you now will prepare a “session plan” indicating: who will do what when where and how to realize the learning objectives of this session. The Tool 3.5.2 “UPFS session planning format” will be of help in doing this.

For each UPFS meeting you will define:

- Who will be the group facilitator responsible for this meeting?
- Which resource persons will be involved in the preparation and implementation of this meeting?
- Which topics/subtopics we want to cover and what are the main learning points for each of these?
- Which learning activities will be implemented (methods, time schedule)? See the thematic text on the Urban Producer Field Schools for an explanation of various methods that may be used.
- Where the field activities will take place (one of the farmer fields, testing or demonstration centre, where other farmers already produce this product, in a processing plant or shop, etcetera)
- Materials and equipment needed for the training.

When preparing the session plans, you will take the general set up of each UPFS group meeting into account (see the thematic text on UPFS), which implies that there should be time in **each meeting** for:

- Review of the experiences gained in the past period; problems encountered are discussed and practical solutions are shared (learning from action and reflection)
- Practical hands on training on the technical and organization issues that are important in the next period
- Planning of the group and individual activities regarding the MoPO that have to be implemented in the coming period
- Review of the group building process
- Agreements on next session (what, when, where).

When planning the training activities you should take into account the methodological principles of the UPFS (see the Thematic text 3.5 on UPFS). The training should be participatory (participants are encouraged to observe, analyze and come up with solutions themselves) and practical/hands on (participants should be able to **do** the things that are discussed). The training activities should be sufficiently detailed and explain well what the trainer will do (introduces, explains, demonstrates, summarizes) as well as what the trainees will do (discuss, observe, do an exercise, practice individually of in small groups) and what in each step/activity the main contents/learning points are. See the mushroom example in Tool 3.5.1.

In all sessions at least one facilitator of the local team will be present, who also will play an active role in conducting the training part of the meetings. In most cases he/she will cooperate in the training with a resource person with more specialist/experience in the subject. If such a “specialist” will take part in various sessions he/she should preferably be involved in the design workshop to ensure that they understand well the logic and methodological principles of the UPFS and the ins and outs of the chosen MoPO, in order to prevent conflicting messages and styles of working.

When the resource person is not in the workshop the local team will make an outline of the session during the design workshop and thereafter one of the facilitators will meet with the resource person to work out in detail the training part of the session with him/her. Remember that the “resource person” or “specialist” not necessary is a university graduate, it can also be an experienced farmer, a manager of a small enterprise depending the topic to be covered. In such cases, the facilitator should sit down with the person involved to explain the session and what is expected from this specialist during the session.

e.Preparation of the logistics

Define for each session:

- What will be the best **place to meet**, taking into account the topics to be covered and where such training can best be done. The selected training site preferably should allow to observe and practice what is discussed in that session. This may be the field of one of the group members, the enterprise of someone who is already practicing a planned innovation, a market place, etcetera. In most cases you will need a combination of a place to **sit and talk** and a place to observe and do certain things (farmer field, packaging shed, etcetera)
- What is a suitable **day and time** to meet, taking in to account the time needed to do the session and the availability of the producers (take gender into consideration too)
- Will we need to arrange for **transport, food**, **refreshments**? If so, who, how, where, when?
- Which **materials** will be needed for the training (see the session plan; last column) and who will take care of making them available in time and at the right place?

An important consideration will be whether we will have all participants in one meeting or that we will have to repeat each session with different groups (probably at different locations). It is recommendable to **work in 3 to 4 clusters**, since realizing an UPFS with very big groups is not recommendable and distance may become a limiting factor for participation in the UPFS. This requires good planning since the trainers would have to repeat each session within a few days with several groups.

f. Preparing the monitoring

The monitoring activities indicated in the Guideline 3.5.2 on UPFS implementation and in the Guideline 4.1.1 on Process Monitoring will be prepared

2. Further preparation of all sessions

In the two week following the design workshop, the **subject matter** of each of the sessions of the UPFS will be worked out in detail in close coordination between the facilitators and the various resource persons. The **main learning points regarding each sub-topic** should be further elaborated (what should the participants know and be able to do regarding each sub-topic?), written out and attached to the session plans as **training notes.** Also other **training aids** needed (drawings, photographs, exercises, examples, etcetera) will be prepared. The combination of session plan and training notes will enable that in case of illness of facilitator or resource person -or in future also other persons- the session still can be implemented by another person. The combined training notes also may form the basis for the production of a simple practical farmers' manual that could be reproduced and distributed to participants in the UPFS as well as other interested producers.

3. Reporting

The report on the design of UPFS will contain:

- The programme schedule for the UPFS with provisional dates and locations
- The session plans for all group meetings plus related training notes and other training materials (drawings, handouts, exercises, examples, etcetera) that will be used

ANNEX 3.5.1.1: SCHEDULE FOR AN UPFS ON MUSHROOM GROWING AND LOCAL MARKETING (DRIED/PACKAGED)

Meetings	Week 1	Week 2	Week 3 and 6	Week X (Depending of disease and other problems)	Week 9	Week 10	Week 11	Week 12
Topics	**Group building in the mushroom producer groups**	**Construction of mushroom shed**	**Compost preparation and sterilization for culture medium Inoculation of mother culture**	**Inoculation of mother culture Management of disease and humidity**	**Harvest technologies**	**Processing**	**Marketing**	**Reflection; How to improve in the next cycle?**
Knowledge and Skills to develop	How to strengthen our group? Why will we work together in this project? What will be our group rules? How do we divide certain tasks? What are frequent problems in groups and how to avoid them? When will we meet and where? What will we do in these meetings? What will we do in between meetings?	Which materials we will need? Selecting the right location and dimensions Steps in construction What are frequent problems in construction and how to avoid them?	Preparation of the cultivation bags -Inoculation - Management of temperature and humidity - Plague and disease management -Maintaining a production register	Detection of most important pests and diseases, their causes and how to prevent and manage them Actual presence of plagues	How and when to harvest Quality criteria fresh product How to organize the quality control?	Who, when and who will be involved in processing and storing. How to do solar drying? How to do cleaning and packaging? Preparation of fresh and dried product for marketing	Tasks of the team that will do the transport and selling at local markets. Presentation of the products and other selling skills. Recording of sales and handling the money Logistical aspects	Evaluation how to continue with production and with the UPFS?
Resource persons to invite	Group facilitator	Producers with experience; Constructor	Producers with experience in mushroom production; extension agent	Extension agent with expertise in prevention and management of mushroom	Producers with experience	Processors with experience with solar dryers	Producers with experience; potential buyers of the	

				diseases			mushrooms	
Location where the meeting will take place	Community centre	At farm of experienced mush room producer	At farm of a group member with shed ready for use	In shed of another group member	At farm of experienced mush room producer	At location with required processing facilities	Community centre	Community Centre

TOOL 3.5.1.1: UPFS Programme Schedule

Meetings	Week a	Week b	Week c	Week d	Week e	Week f	Week g	etcetera
Main theme of the meeting								
Technical subjects to deal with in this meeting								
Organizational subjects to work on in this meeting								
Resource persons to invite for this meeting								
Potential location(s) of this meeting (incl. places to visit)								
?								

ANNEX 3.5.1.2.: EXAMPLE OF A SESSION PLAN (ONE SESSION OF THE MUSH ROOM UPFS)

Note: don't take the timing of this session as a standard. Should be adapted to local circumstances and preferences. The training topics are imaginary.

Name (main topic) of the session: Construction of mushroom shed
Planned date(s)/time: Saturday week 2, 15.00 hours
Planned location(s): Mrs Mr Abraham Farmer at Blackwater street
Facilitator: John Staff
Resource persons: Mr Abraham Farmer and Mrs Eva Producer from Smoketown

Timing	Topics/main learning points	Trainer activities	Participants activities	Materials needed
14.05 – 14.15	Start of the meeting	Trainer welcomes the participants Fills out the participant registration Provides an overview of agenda of today	Add to agenda if needed	Piece of wall paper with the agenda
14.15 – 14.35	Review of the experiences gained with the topics of the last session	Facilitator mentions the topics discussed in the last session and asks and encourages participants (also women and shy people) to share their experiences in the past weeks with applying this knowledge.	Participants tell how they applied the things discussed in the last session and share problems encountered and how they tried to solve these	Blackboard /chalk
14.35-14.50		Facilitator clarifies issues that are not yet clear to all, corrects incorrect opinions or solutions and suggest other solutions where needed. Summarizes the main points learnt from the sharing.	Participants ask questions for further clarification if needed	
14.50-15.20	Important growing conditions that have to be taken into account	Resource persons describe the conditions needed for the growing of mushrooms (key points are: a. management of light, b. ventilation, c. sufficient height /space to work in the shed, d. …) and points out how this is taken into account in the construction of this shed	Participants walk around and ask questions why certain things in/on the shed are as they are	
15.20-15.40	Selection of location	The facilitator explains what to take into account when selecting the right location for the shed (points to stress are: a. sanitary conditions b. control of theft c. slope, d….). He brings the group to good and less suitable locations in this homestead (or that of neighbours) and asks the participants what they think of the suitability of that location	Participants discuss the suitability and ask questions for further clarification if needed	
15.40-16.00	Materials and equipment needed and how, where	Facilitator lists the materials and equipment needed to construct a shed of x by y by z meter on the blackboard. The resource persons discuss issues of quality/durability of the materials and related prices.	Farmers copy the list (if able to write) in their UPFS note book and ask questions for clarification	Blackboard/chalk

16.00-16.20	and when to acquire the materials	The facilitator asks the participants how they want to organise the collection or buying of the materials needed, transport and distribution, etcetera (individually or jointly as a group; where to get / buy the materials; who will do what when) and facilitates the decision making.	Farmers discuss and decide on the organisation of buying the materials	Black board/chalk
16.20-17.20	Construction skills	The facilitator checks with which parts of the construction the participants are familiar already. The resource person demonstrates critical parts of the shed construction with which the participants are less familiar (a. making the joints of vertical and roof poles, b. inserting the ventilation c. fixing the plastics, d. water collection system e….) in a stepwise way. After each step the participants are asked to practice the demonstrated techniques themselves in small groups. Resource person and facilitator guide the groups and suggest improvements.	Producers practice the demonstrated skills in small groups	Sufficient materials to practice in small groups the demonstrated practices (should be prepared on the location in advance)
17.20-17.30	Summary	Facilitator summarizes main technical points learnt and the organisational decisions taken and the tasks to be performed in the coming period (notes these on blackboard)	Producers take notes (if able to write) and confirm their commitments (or suggest changes)	Blackboard/chalk
17.30 – 17.50	Review of the group building process	Facilitator asks the group members to come up with any concerns or proposals regarding the group meetings and the functioning of their group in general. Some items can be discussed here and now and facilitator seeks to build consensus and adds suggestions if needed; “bigger” issues can be put on the agenda of the next UPFS meeting (or a specific meeting to strengthen the group functioning).	Producers share and discuss their observations	
17.50 – 1800	Planning next meeting and closure	Facilitator suggest topic(s) and date/time/location for the next group meeting Facilitator thanks the group and encourages them to continue the work and to participate in the next meeting.	Farmers agree on topic(s), date/starting - end time and location and note it down (if able to write)	

TOOL 3.5.1.2: SESSION PLANNING MATRIX UPFS

Name (main topic) of the session:
Planned date(s):
Planned location(s):
Facilitator:
Resource person:

Learning objectives of this meeting:
1.
2.
3.
4.

Timing	Topics/main learning points	Trainer activities (facilitator or resource person)	Participants activities	Materials needed

GUIDELINE 3.5.2: IMPLEMENTATION AND MONITORING OF THE UPFS

Participants

- Local FStT facilitator
- Resource persons
- All urban producers participating in the FStT innovation project

When: From Mid July 2009 onwards

Aims:

- To realize the UPFS group meetings, including review, training, planning and group building components
- To realize the main project activities with the producers in between the UPFS group meetings
- To document and monitor the UPFS group meetings and implementation process

Preparations:

Make sure that:

- All materials that will be needed during the UPFS group meeting **and** the materials that will be needed during subsequent project implementation activities that are not locally available, are ordered and will arrive timely at the right places
- All resource persons (including places/people to be visited) are well briefed about the meetings in which they will participate and that their contributions to these sessions have been planned in detail.
- All group meetings are logistically prepared timely
- A week before each UPFS session, the local team (including the elected farmer representatives) will meet with in order to check whether all preparations have been completed (session plan, facilitator, resource persons, logistics, materials) and to fill gaps if needed.

Good preparation and organization of the UPFS-meetings is crucial. Organizing say 12 group meetings in 3 to 4 groups of producers of 25-35 farmers in different involving various resource persons can be quite a challenge. Proper organization and good communications are key to a successful project.

Implementation:

1. Start up meeting with the UPFS groups

a. Within 2 weeks after the UPFS design workshop, a start up meeting will be organized with the producer groups involved in the project (either in one big meeting or with each cluster separately; the latter seems to be the best option). All farmers that signed in for participation in the FStT innovation project are invited to the start up meeting (but you might make clear that the first one or two UPFS-meetings are also open to other households that still have to make up their mind). It would be good if the local team would visit each location to motivate the group members to be present at the meeting and to inform them well on date/time and location.

During this meeting:

b. The selected MoPO is shortly explained again.
c. The principles of the UPFS will be explained and how the farmers will realize the MoPO-project through their participation in the UPFS.
d. The proposed schedule for the UPFS group meetings is discussed. Topics, dates and locations for the first few meetings are decided upon. Topics dates and locations of later meetings will be decided upon jointly in subsequent UPFS group meetings. Preferably the UPFS groups meet on a fixed day of the week, so that the groups develop a routine and members have less chance to forget to attend a group meeting. It would also allow that the facilitators meet various UPFS groups on the same topic within one week.

The UPFS is ready to start!

2. Organization of the UPFS group meetings

Important is to have good communications so that everybody knows what, when and where, activities take place. Agreed meetings should not be postponed since routine and trust is the basis of group cohesion and trust in the project. In case a meeting has to be postponed one needs to inform all UPFS group members timely indicating when the group will meet (preferably one week later at the same day and time). A good mechanism for such communications have to be established between the facilitators and each of the UPFS group – e.g. to select in each UPFS group someone with a cell phone who can inform the other group members. UPFS group members at all times should know starting time, location of the meeting and how to get there, duration of the meeting, and whether they have to bring anything (food, any equipment, savings, ..) and –where required- how transport to/from the meeting is arranged.

3. Facilitation of the UPFS group meetings

During the meetings the facilitator applies a more or less fixed schedule for the session (see the thematic text 3.5 on UPFS and the Tool 3.5.1.2 on UPFS session planning) that starts with the review of the experiences gained in the past period (problems encountered are discussed and practical solutions are shared). Subsequently, practical hands-on training is implemented on the technical and organization issues that are important in the next period. The facilitator encourages the producers to analyze a problem and think about solutions themselves and makes sure that all participants have the opportunity to try out and apply the things discussed during the training (hands on, practical).

The next step in the meeting concerns the planning of the group and individual activities regarding the MoPO that have to be implemented in the coming period.

Finally, the group building process is reviewed (strengthening group cohesion and individual commitment, strengthening groups rules, discussion of solutions to a group problem encountered) and agreements on the next session (what, when, where) are made. Initially the facilitator should have a strong lead in the

organization and implementation of the UPFS group meetings. Gradually, the facilitator should encourage the group to take a stronger role in organizing and leading the UPFS group meetings themselves and to have additional group meetings in between the UPFS sessions to coordinate the local project implementation. The social development in the UPFS group is of crucial importance for the sustainability of the process and to create a good environment for exchange of experiences and joint learning. Also the establishment of a groups savings scheme is of importance here (see the Guideline 4.3 on Group savings schemes and revolving funds for further explications).

4. Coaching during implementation

During the periods between two UPFS group meetings, the participants will implement (individually and/or as a group) the activities that were planned in the last meeting. The facilitators will visit the various locations (preferably once a week) to give support to the implementation and help to overcome any problems encountered. The visits will also used for monitoring of the learning effects of the UPFS (see monitoring below). Pictures are made of crucial aspects of the implementation.

5. Monitoring and documentation

During each UPFS group meeting:

- A participation register will be maintained
- Facilitator will make notes on the exchange of the experiences gained and problems encountered by the participants during the foregoing period when applying in practice what was discussed in the last session. This notes will be used later when filling out the "Matrix Process Documentation" (see below)
- At the end of each meeting participants will be asked to give feedback on the learning and group process during this meeting: Was it a good meeting: what yes, what no? How to improve?

After each UPFS meeting:

- During field visits to participants the facilitators will observe the actual application of the training by the participants (Are they applying the recommended practices and coorectly?) and discuss with them reasons why certain recommended practices are not applied or not correctly and one and other is recorded (see Tool 3.5.1).
- The Tool 4.1.1.2 "Matrix Process Documentation" will be applied (see the Guideline 4.1.1 "Inbuilt Monitoring and Systematization"), based on the notes taken during the sessions and the observations made during the field visits to participants. Pictures taken during these activities are included in the photo-register and their registration numbers are mentioned in process documents.

At the end of the UPFS programme:

- The last session of the UPFS will be used to evaluate the UPFS: what were strong points what were weak points? What have we learnt? On what topics/issues we want to learn more? Can we start another cycle of UPFS sessions (related to a new production cycle) or do we just plan some additional sessions in the coming period?
- Three monthly you will review the process documentation sheets that have been prepared and systematize the lessons learned. The main finding will be included in the three monthly reports on the FStT project

Reporting:

The results of the three monthly review and systematisation of the UPFS experiences will be used in the preparation of a three-monthly progress report on the FStT project, indicating which UPFS sessions have been implemented, where and with how many male and female participants, with what results, lessons learned so far and what you plan to do in the coming three months in the UPFS, taking into account the lessons learned.

TOOL 3.5.2.1: FIELD OBSERVATIONS ON EFFECTS OF UPFS-SESSIONS

Before going on a field trip the learning objectives of the UPFS sessions that have been implemented so far are listed in the first column. While visiting group members observes what they have done / are doing in practice regarding each of these learning objectives: are the participants applying in practice what was agreed to do and do they apply the recommended practices correctly? The actual practice of each participant visited will be rated and the reasons for non or not correct application (mentioned by the participant or observed by the facilitator) are recorded. It is recommendable to record during each field visit at least 5 participants per cluster and that the facilitator selects in each field visits another 5 participants in order to prevent biases..

Monitoring visit applied by (name): to cluster: on (date):

Learning objectives	Correctly applied by participants? scale 0 (not applied) to 5 (fully and correctly applied)						Gaps in knowledge or skills identified regarding this topic	Other reasons for non- (or not correct) application of this topic mentioned	Other observations
	Part. 1	Part. 2	Part. 3	Part. 4	Part. 5	Part. X			
Session 1									
1.									
2.									
3.									
4.									
Session 2									
1									
2.									
3.									
4									
5.									
Etcetera									

NB allow more space for each row before taking the format to the field

GUIDELINE 3.6: PREPARING THE PROJECT PLAN

When: Once the business plan has been prepared (Week 27-28 (29 June – 12 July 09)

Participants:

- The NGO-FStT team members (not the farmer representatives)
- Regional coach
- Staff of the NGO-FStT familiar with project planning and budgeting

Aim

The preparation of a clear description of the project that will be undertaken: its objectives and expected results, activity plan and time schedule and budget, coordination + monitoring + reporting).

Preparations

Make arrangements for a two day workshop of the local team.

The following information should be available:

a. The report on the diagnosis phase
b. The business plan
c. The plan for the UPFS
d. Information on the funds made available by RUAF for the project and information on other possible sources of funding (might also be provided by the credit and financing study)

Implementation

First and for all: this planning exercise is first and for all meant to ensure that the activities are well planned, organised and budgeted so that the implementation will be smooth. It is not just an exercise to please RUAF (although we would like to have a copy of the outcome of the workshop).

During this workshop the following activities will be undertaken:

- **Clarification** of the aim of this workshop and what the output should be: well defined objectives (= expected results by Dec 2010), the activities plan and time schedule, budget and financing)
- **Formulation of the project objectives**: what are the results we expect from this project?
  The list of required technical and organizational changes to get the MoPO functioning that you made earlier (as well as the business plan and the learning objectives for the various UPFS sessions) form a good starting point for the formulation of the project objectives.
  The objectives should indicate the **results** you expect to realise within the life time of the project (and **not the activities** you plan to implement). By "results" we mean: a. **outputs** (concrete physical results, e.g. 200 trees planted, 8 poultry sheds with each 200 layers constructed producing in average 1000 eggs a day), b. **outcomes** (changes within the capacities and focus of organisations and persons: e.g. improvements in the financial management

of the cooperative, new skills of the producers), and c. **impacts** (changes in the livelihood of the participants like an improved nutrition, a raise in income, better access to credit, etcetera). For further explanations see the Guidelines on Monitoring 4.1.1 – 4.1.3).

The objectives should be formulated in a **SMART** way:

1. **S**pecific: concrete and clear (prevent that one might give a different interpretations to an objective)
2. **M**easurable: concrete and possible to monitor (and thus preferably quantified)
3. **A**ppropriate: to the target group and the local conditions (technically, socio-culturally, economically, environmentally, etcetera)
4. **R**ealistic: achievable with the planned means and in the given socio-economic and political context
5. **T**ime-Bound: achievable within the planned project duration.

Regarding point 4 and 5 above please have clear that:

a. The project **duration** is limited to max. 17 months (Mid July2009 - December 2010). After that end date no expenses can be claimed on this project any more, not can "commitments" or "reservations be made for later years"
b. The project is limited in its **budget** to what a. is available in the RUAF FStT budget for the local innovation project b. the expected own contribution by the local NGO-FStT and the participating producers c. contributions (in cash or kind) that have been committed or very likely can be obtained from other local or national organisations d. eventually credit at group or individual level supplied by local credit institution (see also Guideline 4.3 Group saving schemes and revolving funds)

Examples of poorly formulated objectives are: "To train the farmers in organic production methods", or "To enhance the income of the project participants" or "To set up a vegetable processing shed" (please reflect why).
Examples of SMARTly formulated objectives are: "At the end of the project 100 farmers are applying at least 7 of the 10 recommended organic production practices"; "At the end of the project at least 50 households have increased raised their income from agriculture with more than 20% and another 50 households with more than 10%". "At the end of the project a vegetable processing shed will be in operation, producing 200 bags of cut and mixed vegetables a week"

When formulating the specific objectives it is good to have a look at the minimum set of indicators for impact monitoring (see Guideline 4.1.3 Impact monitoring)

- **Development of the work plan (activities plan and time schedule)**
  List all activities that have to be undertaken in order to realise these objectives (to get the MoPO up and running) and define who will be responsible for what (see Tool 3.4.1). The UPFS activities are the main project activities, but also think of other activities needed to get everything functioning as described in the business plan. Add activities that focus at strengthening of the farmer groups/organization and establishing a group savings scheme (see the Guideline 4.2 Strengthening producer organisations and the Guideline 4.3 Group savings schemes and revolving funds) if not yet fully integrated in the UPFS.
  Also include activities like:

- ordering / transport of inputs and materials needed
- team and coordination meetings.
- monitoring activities
- gender affirmative actions

If other organisations have committed to contribute with certain activities, make this explicit in the work plan and ensure that this organisation is fully aware of this commitment and when/where these contributions have to be made and when this will be done.

- **Preparation of the project budget**
  Once all activities have been defined, identify which means (materials, inputs, equipment, infrastructure, etcetera) are needed for each activity and make a **realistic** estimate of the related costs. Include only the directly project related costs. Don't include the NGO related costs like staff costs, office costs, NGO vehicle).

  Once all costs have been defined, identify how these costs can be covered: what will be contributed by the producers themselves and what from other sources. See TOOL 3.4.3 for a format (the use of excel is recommended. The RUAF-FStT contribution to the project should stay below the amount indicate in the local NGO-FStT contract indicated amount.

  The team should also carefully consider in what form the project will financially support the local producers. Often it is said that the project should provide this and that for free otherwise the producers will not be able or not be motivated to participate. However, this often leads to high donor dependency (used to free gifts) and undermines the development of the self management capacity of the local groups. That is why many development projects nowadays, rather than giving out seed, animals, materials and equipment for free to individual beneficiaries, grant these materials in kind (or in cash to buy these inputs locally) to the collective of producers, who will rent out the tools or equipment (e.g. a pump or small tractor) to group members against a cash payment (and the collective will take care of its maintenance and savings for future replacement) or give the tools, or inputs or animals to (all or part of the) group members under the condition that they repay this to the collective from the first yields or offspring. For example, if a group member receives a cow or a flock of poultry, the first calf or a certain number of chicks will be given back to the collective. These subsequently can be given out to other group members or even to other groups, which makes the outreach of the project much bigger and the continuity of project results much higher. See thematic text 4.3. Group savings systems and revolving funds). Of course, the management of the revolving fund needs training and guidance in the initial period and measures should be developed that reduce the risks of embezzlement (which is lower if the revolving fund is only in kind).

- **Project management and coordination**
  Define how the project will be coordinated: will the same farmer representatives continue in the local team or are new elections needed (e.g. to make sure that all groups are represented or to enhance the participation of women? How often the local team will meet? Will other committees or functionaries be established? In what roles and with what rights/obligations? How these committees will coordinate with and report to the local team? Will other contributing organisations have a representative in the local team and with what rights (just voice or also voting right?)

Also indicate how the coordination with other organisations involved in the project will take place.

- **Monitoring and evaluation**
  How will you measure progress and results? Define what data will have to be collected, by whom, at which moments and with help of which methods and formats (see also the Guidelines 4.1.1 (inbuilt monitoring) and 4.1.3 (impacts monitoring).

- **Risks**
  Think through the risks: which external factors beyond the control of the project implementers might threaten the realisation of the realisation of the project. Define for each risk "what, if" strategies (what will you do to reduce the effects if such factors would occur?

- **Final review; obtaining formal commitments**
  Once all steps have been made once more review the final project document and check with the partners in the formulation process whether they all agree and are committed to jointly implement the project.

Reporting

The project plan that will result from the above will have the following outline;

1. ***Cover page*** (1 page)
   The cover page should indicate:
   - Title of the project
   - Name and postal address of the local FStT coordinating organisation
   - Name of the local coordinator his/her email address and telephone number
2. ***Objectives / expected results*** (1 page)
   This section describes the results expected of the project in SMART terms
3. ***Work plan*** (3 pages)
   Table with the description of the planned activities and the time table.
4. ***Project management and coordination*** (1 page)
5. ***Project monitoring and evaluation (***1 page)
6. ***Project Budget and financing*** (1 page)
   Table with cost estimates and sources of funding

TOOL 3.6.1: FSTT PROJECT ACTIVITY PLAN

Activities (group)	Activities (detailed)		When to be implemented	Where	Who is responsible?	Others involved	Means needed (materials, transport, etcetera)
	No	Description					

TOOL 3.6.2: FSTT PROJECT TIME SCHEDULE

Activity number	July '09	Aug.	Sept.	Oct.	Nov.	Dec.	Jan. '10	Febr.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.

TOOL 3.6.3: FORMAT FOR BUDGET FSTT PROJECT

Note Don't include NGO related costs: staff, vehicle, office, etcetera)

Budget item	Sub item	Price per unit	# of units	Total costs	Farmers contribution [2]	Contribution third actors [3]	FStT contribution	Form of FStT contribution[4]
Costs of UPFS meetings (including study visits, excursions, etcetera)	Refreshments / food per UPFS session							
	Transport costs per session							
	Transport (other than with NGO FStT vehicle)							
	Training materials (for practicals and demonstrations; hand outs)							
	Other (specify)							
Other training and extension activities (e.g. group strengthening; savings scheme, other)	Please specify (as under UPFS)							
Infrastructure	Please specify e.g. a poultry house, a mushroom shed, etcetera							
Machinery, Equipment	Please specify e.g. a pump, a packaging machine, etc							
Inputs	please specify seeds, seedlings, compost, etcetera							

[2] Indicate for each contribution: is it in kind or in cash?; if mixed: which % in cash and which % in kind

[3] Indicate for each contribution: which organization contributes? Is it in cash or in kind; is it a grant or a loan?; if mixed: % in cash and % in kind or % in credit.

[4] Individual subsidy or group revolving fund, or….?

Start up costs (licenses, tests, permits, legal status, registration, carnets, etc)	Please specify							
Working capital first x months for the group enterprise								
Other costs	Please specify							
Total								

THEMATIC TEXT 4.1: MONITORING AND EVALUATION

Some definitions

Monitoring refers to a continuous process of collection of information about the performance of the project (process and results).
Evaluation refers to the interpretation and judgement of the collected information in order to extent to which the project realises its planned objectives (results) and the effectiveness and cost efficiency of the strategies applied (relation means-results).
When we speak of **Monitoring and Evaluation (M & E)** we indicate that the two are intertwined in such a way that the monitoring information are systematised and interpreted periodically so that assessment on process and impacts contributes to continuous learning: learning from experience to learn.
Participatory M & E: the involvement of multiple stakeholders in the design and implementation of the collection and interpretation of information as a basis for joint decisions about improving their activities.

Why Monitoring and Evaluation?

M&E is a management tool that helps:

- to measure progress and to obtain indications how we may improve our strategies
- to stimulate the participatory and learning process and to enhance the capacity of the participants to observe, analyse, reflect and take decisions and action
- to increase accountability to partners, beneficiaries, policymakers and funding organisations on the relevancy, effectiveness and cost efficiency of the programme and to enable decisions about the continuation of the programme.

M&E first and for all should enable the joint learning process of the local stakeholders and other actors involved and enable the improvement of the programme strategies (planning and delivery). Since M&E is a joint learning process it requires the active participation of the stakeholders involved. And to get them involved the stakeholders should be able to recognise the value of M&E for their own decisions and action planning (other wise they do not participate).

What to monitor and evaluate?

Progress/process	**Outputs**	**Outcomes**	**Impacts**
Activities *implemented and* ***means/methodologies*** *used to realise the planned results*	*The* ***direct results*** *of the activity implemented*	***Resulting changes in the behaviour of local key partners***	***Resulting changes in the livelihood situation of the ultimate beneficiaries*** *(e.g. the urban producers)*
Example: regional FStT training and planning workshop for the local	Example: The number of people that were trained Their assessment of the	Example: The percentage of trainees are effectively applying in their daily work what they learned in training provided by the project, e.g: " actively and	Example: net cash income of the participating households has increased in average with X%

teams	what they have learned in the training Set of training materials	successfully promote innovation in urban agriculture farming and marketing systems as a strategy for food security and income generation, in partnership with strategically selected urban producer groups/organisations and in coordination with other stakeholders in their respective cities" (See Outcome Journal NGO-FStT)	
Example**:** Implementation of FStT pilot projects	Example: Number and type of FStT projects implemented; Number of participating producer households	Example: The % of urban producer households that are innovating their farming systems from a market chain perspective are monitoring the impact of such projects on the livelihoods of their members (See Outcome Journal UPO)	Example: in participating households malnutrition of children under age of 10 years has decreased from 25 to 5 %.

Monitoring and evaluation methods applied in RUAF-FStT:

We will apply the following three modes of Monitoring and Evaluation in RUAF-FStT:

1. **Built-in monitoring, process documentation and systematisation** → In all main activities that will be implemented by RUAF and their local partners, a monitoring component will be built in, in order:
   - to measure **progress** (did we do what we planned to do), document the **process** (how did we do it and how did that work out) and **outputs** or **direct results of the activities implemented** (e.g. number of participants in the various activities, number and type of publications, etc.).
   - to enable a **joint learning process** among those actively involved in the preparation and implementation of the local FStT innovation projects or in the upgrading and implementation of the City Strategic Agenda on Urban Agriculture and to **improve the strategies and working methods** of the FStT programme (here in this location and/or for future replications elsewhere): What are our results? What can we do better? What have we learned?
   - To create an **information basis for evaluation** in a later stage (the final assessment of the results achieved and analysis of the relevancy, effectiveness and cost efficiency of the project).

   See further the Guideline 4.1.1 Process (inbuilt) documentation and systematisation

2. **Outcome Mapping** → This is a method to monitor the **changes in the behaviour** (actions, relations, cooperation and communications, etc.) of the people, groups and organizations with whom the FStT programme works directly and that whose capacities, policies, programmes we want to influence (our so-called "boundary partners") and which changes can be logically linked to FStT.
   A main aim of the RUAF-FStT programme is to facilitate capacity development at local level (NGO-FStT, urban producer groups, the MSF as a whole, key partners in the MSF e.g. the Municipality) and to stimulate local partners to make changes in their existing policies, integrate urban agriculture in urban planning and initiate action projects with and for the urban poor interested in or engaged in farming. We expect that by doing so we will make a longer term contribution to development since the capacity and motivation is installed in these boundary partners and will lead them to mobilise their resources to implement actions with the intended ultimate beneficiaries on a continuing basis. Hence the project results will be

multiplied at a scale the project itself would never be able to realise. In RUAF-FStT we are thus specifically interested to what extent we are realising the expected changes (outcomes) in three types of boundary partners: the NGO-FStT, the Urban Producer Organisations and the Multi-Stakeholder Forum as a whole and some key partners in the MSF (especially the Municipality). This Outcome mapping allows us to receive feedback on the effectiveness of our strategies and identify ways to improve. Furthermore, collection and analysis of information on the outcomes of the RUAF activities together with these local partners stimulates the capacity development process. See further Guideline 4.1.2 Outcome Mapping.

3. **Impacts Monitoring** → We will monitor what the impacts will be of the RUAF-FStT programme (such as improved nutrition and food security, increased income, enhanced access and security of land, improved gender relations, etc.) on the urban producer households we will be working with. Such impacts will mainly have been realised through the implementation of the FStT innovation projects (over which we have a direct influence) as well as changes we generated in the boundary partners (changes in policies, changes in norms and regulations, projects implemented by the MSF partners) etcetera (indirect influence). For the impact monitoring of the **FStT innovation projects** we have developed a **specific impacts monitoring methodology**, which is described in detail in the Guideline 4.1.3 Impact Monitoring.

   For the monitoring of the impacts of **other activities implemented by the MSF partners**, various options exist -which have to be discussed with the local partners in the MSF:
   - The MSF partner organisations also **adopt the RUAF impact monitoring guidelines** for the projects they develop in the context of the CSA-UA.
   - The MSF partners **include the RUAF indicators in their own project monitoring system** and agree that they will report to the local MSF facilitator (who will inform the regional coordinator)
   - In cooperation with the MSF partners, **focus group meetings** are organized (at least **once a year during the annual planning and review meetings**) in order to discuss with the participants the impacts perceived in the past period, including the RUAF indicators.

Who will perform the monitoring and evaluation?

Built-in monitoring, process documentation and systematisation: the organisation that is responsible for the organisation of the activity. For regional training activities the regional RUAF partner. For FStT diagnosis, planning and implementation: the FStT local team. For the MPAP process mainly the NGO-MSF / local MSF facilitator.

Outcome mapping: for the NGO-FStT and the Urban Producer Organisations/Groups: local FStT coordinator with the staff of the NGO-FStT and the producer organisations. For the MSF: local MSF-facilitator and MSF members. Support will be provided by the regional RUAF coordinator or coach.

Impact monitoring: for the FStT innovation projects, the local FStT coordinator together with contracted local researcher and students. For the projects implemented by MSF members: responsible MSF partners and the local MSF facilitator.

Results of the various monitoring activities will by stored by the leading partner who will supply regular copies to the regional RUAF coach/coordinator as well as to all local partners. The regional coordinator/coach will assist the local partners in the interpretation of the data and drawing lessons and will include the main results and lessons learned in the three-monthly and annual progress reports to the RUAF Foundation.

GUIDELINE 4.1.1: In-built monitoring of progress and outputs and systematization of lessons learned

When: documentation / monitoring: every week; systematization: at the end of each trimester; short cases: once a year

Participants

- the local team and the urban producers groups preparing the FStT innovation project
- the NGO-FStT coordinator, and members of the MSF involved in upgrading and implementation of the City Strategic Agenda on urban agriculture
- a journalist

Aims

In all main activities that will be implemented by RUAF and their local partners, a monitoring component will be built in, in order:

- to measure **progress** (did we do what we planned to do), **process** (how did we do it and how did that work out) and **outputs** or **direct results of the activities implemented** (e.g. number of participants in the various activities, number and type of publications, etc.).
- to enable a **joint learning process** among those actively involved in the preparation and implementation of the local FStT innovation project or in the upgrading and implementation of the City Strategic Agenda on Urban Agriculture and to **improve the strategies and working methods** of the FStT programme (here in this location and/or for future replications elsewhere): What are our results? What can we do better? What have we learned?
- To create an **information basis for evaluation** in a later stage (the final assessment of the results achieved and analysis of the relevancy, effectiveness and cost efficiency of the project)
- To prepare **information materials** on the project and its results.

Preparations

To be able to monitor progress and outputs/results of the project during the coming 3 months (preparations; diagnosis and selection of the most promising option), we need a clear point of reference: the detailed 3 month work plan for this period indicating the activities that will be implemented in this period (respectively by the local FStT team/producers and the MSF facilitator/MSF members) and indicating clearly the and deadlines for and expected results of each main activity planned for (see also the reporting guidelines). For example, if you plan to do a market analysis in this period, you should clearly define which results one expects of the implementation of this activity. If one plans to produce a certain publication, one should define in the work plan for what specific target group the publication is meant to be, what use we expect that they will make of this publication and what specific information the publication should include. For each main activity included in the 3 month work plan, the first column of the "**Process Documentation Matrix"** will be filled out ("planned"): expected results, participants, methods, means needed, etcetera.

Implementation

1. Documentation / inbuilt monitoring

During weekly team meetings, the local team (including the farmer representatives) will:

a. **Document** all main activities implemented by the local team with urban producers and other actors this past week with help of the Tool "**Process Documentation Matrix"** (one activity, one sheet). See Tool 4.1.1.1.

With help of this tool, one will document which activities were implemented, when, with what results, with whom (number, type and gender of participants), how (steps, methods, problems encountered) and what were the resources used. This information is crucial to be able to improve local processes as well as guide future processes with other farmer groups or in other cities. Try to describe the results planned/obtained in concrete terms. For the realised results: also include unplanned results. In case a certain result was obtained due to activities implemented jointly with -or co-funded by- other organisations, please indicate this clearly and where possible try to differentiate between the RUAF contribution and the contribution of other organisations. When filling in the "Process Documentation Format" one should also describe the problems encountered and how you handled these problems, as these constitute important learning elements. If the problems still persist what should be done to overcome these problems? In the last column observations regarding the factors that influenced the work positively or negatively will be included as well as first thoughts on possible improvements and eventual follow actions needed.

The attached example shows the process documentation sheet after realising the activity: "Introductory meeting"

Next to the Process Documentation sheets an **images register** will be maintained that includes all photos (and eventually videos) taken during the implementation of these activities. Each image in the register will have a description indicating: date when and place where the picture was taken, the name of the photographer, some keywords indicating what is to be seen on the picture.

The Process Documentation sheets (and the images in the photo register) will be of help:

- To share information in the local team and with other partners
- As a basis for review of progress and performance (see b below)
- To maintain memory of what was done and how and with what direct results (for later systematisation of experiences and drawing lessons; see 2 below)

The images will also be of use

- To document the initial situation for later comparison with the final situation
- To show certain aspects of the methodology applied and the outputs/results
- For use in training sessions and in presentations and illustration, reports and publications

b. The Process Documentation Matrix sheets will be used to **review** past week's progress and experiences, answering questions like "what did we do so far?; Are we on the right track? Should we speed up? Do we need any changes in our working methods?

2. Systematisation of lessons learned

At the end of each three month period the team will review all Process Documentation sheets that were prepared on the main activities implemented in the past months in order to draw some lessons and to formulate some recommendations for future practice, with help of Tool 4.3.2 “Systematisation of lessons learned”
First one will refresh the memory regarding we set out to achieve this trimester. Secondly we list our results and subsequently compare whether we achieved what we planned to do and discuss the factors that hampered or facilitated the work. Then we discuss what lessons we can learn from the above for our activities and working methods in the coming period, as well as what recommendations we could make to others that are about to undertake the same activities (How to obtain better results than we had; How to improve strategies and working methods? What to do to prevent or solve the problems and obstacles that we experienced?)

The results of the systematisation will form the basis for the preparation of your three-monthly progress reports, in which you will describe what you have done (briefly) and with what results (ample), what you have learned so far and how these lessons learned will be applied in the coming three months.

At the end of 2010 also a regional and interregional systematisation process will be undertaken in order to draw some lessons and formulate some guidelines for replication of similar processes by other farmer groups and in other cities.

3. Short cases

With help of a journalist the local NGO-FStT and MSF facilitator will write a (personalised) case showing the results of the project “through the eyes” of a project partner or beneficiary: a participating urban producer (male or female), the Mayor or a City Councillor, a staff member of a credit and financing institution. Each year one such portrait will be made: one from the FStT innovation project and one on MSF/CSA/enhancing access to financing. The persons to be portraited will be selected by the FStT-team and MSF facilitator in coordination with the regional coach. A journalist will be selected, briefed by the FStT resp MSF facilitator about the activities and results of the project to date and asked to interview the selected persons about the project, their role in it and the importance the project has to them (why do they participate and see it as important, how does the project benefit them and others, what are for them “the most significant changes” brought about by the project?). These short “personalised” cases (see below an example) can be placed on the RUAF regional and global website, used in presentations on the project, in RUAF reports to donor agencies and in RUAF publications. Of course such cases might also be short video clips!

ANNEX 4.1.1.1: EXAMPLE OF SHORT PERSONALISED ARTICLE FOR THE WEB/PRESENTATION

To Market, to Market

By Elizabeth Elango

We could hear the voices of the women singing for miles before we got to their meeting room. And as we get closer we begin to decipher the words of their song, which they are singing in French:

Call, call, call HPI.
If you need goats, call HPI.
If you need pigs, call HPI.
If you are poor call HPI.
Just call, call, call HPI.

The women are members of GIC de Mva'a, a Common initiative Group located just a few hours outside Yaounde, Cameroon's capital. They are a Christian group of women, which traces its origins as far back as 1955 with the Catholic church. A few years ago the government started requiring that all groups that are coming together for economic purposes be registered with the government as Common initiative Groups. This would make them easier to identify and easier for the government to provide them assistance.

The group heard of the work of Heifer from neighbouring communities and applied for assistance, which they received. They made the decision that they wanted to receive pigs. Some women would be breeders and other would be fatteners. The breeders received three animals each, which they started breeding at maturity to multiply. The fatteners received four animals each, which they each immediately began to fatten. Within a short period of time they had completed their pass-on obligations to another group in the community. And when that was done they began to reap the full financial benefits of their animals.

Mama Madeleine Ngono is one member of the group who opted to be a fattener. She received 4 animals, which she feeds patiently every day with over-ripe pears, cassava peels and plantain peels which she would otherwise have discarded from her kitchen. The animals grew quickly. Within six months the small piglets that had been worth $40 each when she got them when she got them were soon worth $160 each. She was beginning to earn an income. Mama Ngono says as the animals grew her worried began to fade away. She no longer stayed up nights worrying where school fees for her children would come from, or medicines for when they were sick. Since she received her initial placement of animals Mama Ngono has gone through six markets cycles, selling 15 animals in total. “It has been hard work,” she admits, “but it has been well worth the effort.”

A lot goes into managing such an enterprise. For the women who are breeders careful attention and record keeping needs to be taken to avoid in-breeding. And thanks to the training they received before the animals they have been successful in doing that. As for the women who are fatteners, there is a lot of skill needed to make sure that they get fair prices when the animals go to market. For this the group decided to train their most shrewd, most powerful members to negotiate market prices. They make sure that when an animal is sold they make a profit of the investment they'd made in feed and veterinary care. So over time market prices have become less and less of a problem.

All the women in the group echo the same successes as does Mama Ngono, who shows us her home, newly plastered with concrete. For her, it is a vast improvement from the mud brick structure that once stood there. Her new income source is enabling her to take up other ventures, like growing cocoa and vegetables for sale. She smiles her gap-toothed smile as she tells us all these. And her friends join her in continued celebration and jubilation.

ANNEX 4.1.1.2: EXAMPLE FOR PROCESS DOCUMENTATION MATRIX

NAME ACTIVITY:	**INTRODUCTORY MEETING WITH THE FARMERS GROUP**		
	Planned	**Realised** (including problems encountered and how these were handled)	**Observations and follow up actions needed**
Date:	03-02-2009	07-02-2009	Farmer leader fell ill
Results:	a- basic commitment of the producers for FSTT is obtained b- producers understand focus and main concepts of an FSTT innovation project c- Producers know the main activities to be realised in the coming months d- Their representatives in the local team have been selected	a. The farmers group (although a bit hesitant) agreed to participate in the project b. A work plan for the coming 6 months was developed with the group (see attached) c. Criteria for selecting of farmer representatives in the local team were identified (see attachment). The selection itself was postponed to the next meeting (on 10/02) d. Then also a work plan will be discussed (plus further clarification of the steps)	It turned out time consuming to clarify the main focus and concepts in such a short time. Farmers want to know the work plan better before selecting their representatives
Team members involved:	Local FSTT coordinator and local facilitators	Coordinator and 1 facilitator	1 facilitator had to go to a meeting of another project
Participants **Type of part.:** **Number men:** **Number women:**	Minimum 70 of the 100 producers targeted (50 men, 30 women)	20 men and 65 women	Most men seem to see this as a women's project. more men to be personally invited for the next meeting
Agenda, working methods / tools	1.Farmer leader welcomes the participants and introduces the members of the local team 2. Local coordinator explains the aims and agenda of the meeting 3.Local coordinator presents the focus and main concepts of an FSTT innovation project; 4. Facilitator collects questions and observations from the participants, followed by explanations by the local coordinator 5. Local coordinator presents the steps / activities that will be done to analyse the actual situation and to prepare the project + timing 6. as 5 6. Facilitator guides selection of the farmer representatives in the local team after discussion of the criteria 7. Local coordinator summarizes final agreements and commitments 8 Closure by farmer leader	The group was therefore split up in 2 smaller groups (one male and one female group) and results were shared later. Lots of children running around or on the lap of the women creating lots of noise and distraction Step 3 and 4 took lot of time. We had to split in two groups to better explain and discuss the nature of an FSTT project. Lots of expectations, most of them not fitting in our framework (larger infrastructure, lorry, etcetera) As a consequence for step 5 and 6 there was too little time	Maybe next time we better organize a crèche during the meeting? Develop before the next meeting on 10/2 a clear proposal / work plan for the coming months indicating: - what time the farmer representatives will need to spend on FSTT - when local team meetings and other activities will take place - how they will be compensated (or not) for their time, transport etc.
Use of resources / materials / etc	US 1 x 80 for meals US 50 for collection of producers from XX 10 Flipcharts/felt pens	US 45 for transport US 110 for meals We should have brought at least 15 flipcharts	
Related pictures	At least 5 pictures	The series "Intro meeting 001 – 016"	
Other relevant aspects			Bring drinking water next time

TOOL 4.1.1.1: PROCESS DOCUMENTATION MATRIX

Name Activity:			
	Planned	**Realised** (including problems encountered during implementation and how these were handled)	**Observations and follow up actions needed**
Date:			
Results:			
Team members involved:			
Participants **Type of participants:** **Number of men:** **Number women:**			
Agenda / topics / main contents			
Working methods, tools			
Use of resources / materials / etc			
Related pictures (numbers in photo register)			
Other relevant aspects			

TOOL 4.1.1.2: MATRIX SYSTEMATISATION OF LESSONS LEARNED

1. What did we aim to do and to achieve in the past project period?
2. What were our main results (successes and failures)?
3. Compare 1 and 2: have we done and achieved what we set out to do/achieve? **If so, why?** **If not: why not? What could or should we have done differently or better?**
4. Did we have any unplanned results? How did these come about?
5. What consequences should the above have for our work in the coming period? Things we should do differently, inclusion of new activities in our planning, training needed, etcetera
6. What recommendations we have to others in case they want to implement similar activities (please be specific about to what type of activities and what kind of actors you refer)

GUIDELINE 4.1.2: OUTCOME MAPPING

When

- Baseline: at the start of the FStT innovation project (NGO-FStT and UPO) and during the second MSF meeting (in which the MSF partners agree on their work plan for the coming period on the basis of an approved updated City Strategic Agenda)
- Annual review: During annual review and planning meeting

Participants

Outcome Mapping NGO-FStT : local FStT-team and director of NGO-FStT
Outcome Mapping Urban Producer Organisations/Groups (UPO) : local FStT facilitator, farmer representatives of the UPO
Outcome Mapping MSF : MSF members and local MSF facilitator
Regional RUAF coach/coordinator

Aims

At the end of the Outcome Mapping **baseline meeting**s, the participants will have:

- Elaborated the local Outcome Journals for the NGO-FStT, UPO and MSF
- Developed a base-line (starting levels) for the various progress markers (mid-2009)

At the end of the Outcome Mapping **annual review meeting**s, the participants will have:

- (Annually) reviewed the progress made for each of the progress markers (and filled out the annual Outcome Journal)
- Identified possible improvements in the strategies and management of the local RUAF-FStT programme (FStT innovation project and MSF activities)

Preparations

<u>After the second global training and before the regional training:</u>

- The draft OM journals developed during the second **global** training will be translated in local language by the regional coaches and the local facilitators before the second regional training. The local FStT facilitators will use these draft OM-journals as a starting point for the construction of specific local OM journals for each of the main local FStT partners, together with those partners at the start of the process.

<u>During second **regional** training:</u>

- The local teams will be introduced of the basics of OM and its place in the overall RUAF monitoring and evaluation strategy. Local partners will be trained by the regional RUAF coordinator/coaches in the application of the Outcome Journals, which include **expectations** (commitments) regarding the **development in the capacities, policies, networks and programmes of the local RUAF partners** (captured in form of the changes they **"expect to see", "love to see", or "like to see"** happening in their organisation during the project period). These expectations are based on either the goals of the FStT innovation project that has been formulated locally or on the desired policy change, action programmes and cooperation, etcetera indicated in the City Strategic Agenda on Urban Agriculture.

- During the regional training, participants will discuss and where necessary revise the **draft outcome challenges and progress markers** for each key partner in FStT, notably the MSF, the NGO-FStT and the urban producer organisation/groups, taking into account the general OM journals developed during the second global training, as well as the CSA, the plans for the local FStT innovation project, the business plan and UPFS.

Directly after the regional training:

- **Training** MSF facilitator (and possibly other MSF core group members) in each partner city
  The MSF facilitator (and possibly including other core members) are briefed on the use of Outcome monitoring and the draft outcome journals developed by the regional and local teams staff that participated in the regional training.
- The local FStT coordinator and the local MSF facilitator will prepare an **agenda** and will make **appointments** for the OM baseline meetings with the key FStT partners and the MSF-platform respectively in which the Outcome journals and base line situation will be defined, providing them with sufficient information on the aims and agenda of the meeting and the draft local OM journal for the partner involved (see further below: implementation).

Implementation

1. OM baseline meeting with each of the stakeholders (mid 2009)

   Meetings with each main partner (NGO-FStT, UPO) and with MSF-platform (during its second meeting) will be organised by the local FStT facilitator and MSF facilitator respectively, assisted by the regional coach, in order
   - **To elaborate outcome challenge and progress markers** (together conforming the **outcome journal**), based on the draft outcome journals elaborated during the regional training and the vision on urban agriculture and the strategies defined in the upgraded/updated City Strategic Agenda (for the MSF) **or** the objectives and learning outcomes as defined in the FStT innovation project plan (for the NGO-FStT), business plan and UPFS (for the UPO). The best way is to start with the global RUAF journals and then see what can be **specified** or **added.** You also may want to **shift items** between expect, like to see, love to see. But preferably **don't delete** any items, since we need to make sure that the main RUAF objectives and indicators are incorporated.
   - **To mark the baseline** and **to discuss how the outcome journal will be applied** (annual meetings to mark and discuss progress; who should be present; who will be in charge of coordinating the collecting information on progress made by this partner re. the various markers and how he/she will do that?)

2. Annual review and planning meeting with each of the stakeholders (end of 2009; end of 2010)
   During the annual review and planning meeting the FStT facilitator and MSF facilitator will request the NGO-FStT, the UPO and the MSF-Platform respectively to **fill out the outcome journal**: **mark the progress** made for each progress marker and **analyse the factors** and actors that contributed to or hampered change and draw lessons learned. In the same meeting, the results of this exercise will be discussed to identify possible improvements in the local strategies and management.

   The annual outcome journals will be attached to the annual reports to the regional RUAF-partner.

ANNEX 4.1.2.1: OUTCOME JOURNAL LOCAL SUPPORT ORGANISATIONS (NGO-FStT)

Participants:	
OUTCOME CHALLENGE The programme intends to see local NGO partners (NGO-FStT[5]) that actively and successfully promote innovation in urban agriculture farming and marketing systems as a strategy for food security and income generation, in partnership with strategically selected urban producer groups/organisations and in coordination with other stakeholders in their respective cities. The NGO-FStT is building up and strengthening producers' capacity in diagnosis, planning, design, implementation and monitoring of local urban agriculture value chain innovation projects and are developing related farmer training materials on both technical and organisational aspects, together with other relevant partners. The NGO-FStT also builds capacity in and supports urban producer groups in the implementation of activities to strengthen their organisational structure, systems and functioning. The NGO-FStT is promoting networking, sharing of experiences and cooperation between urban producer groups/organisations in their city. The NGO-FStT also facilitates the establishment of strategic linkages between the producer groups and other stakeholders (other NGOs, services, training and extension, private enterprises, local government department/programmes and financing organisations). The NGO-FStT participates in the Multi-Stakeholder Forum on urban agriculture and supports joint planning, policy formulation, implementation and monitoring of action plans on urban agriculture and food security. The NGO-FStT has incorporated urban agriculture into their institutional programme and budget and is attracting funds to maintain and expand their activities. The NGO-FStT is strengthening the capacity of the producer groups they work with to develop project proposals on urban agriculture and food security and to access funding support. The NGO-FStT is monitoring and articulating the changes resulting from their interventions together with the producer groups in order to learn from doing and to improve their performance. The NGO-FStT also share experiences with NGO-FStT working in other RUAF partner cities to contribute to joint learning and programme development.	
<u>Individually</u> **Score of 1-5 (1 = Low; 5 = High)**	* represent baseline ● dot represent the ratings for 2009 x represent the ratings for 2010

PROGRESS MARKERS						
Expect to See	**1**	**2**	**3**	**4**	**5**	Explanation of the rating
1. The NGO-FStT is developing strategic partnerships with urban producers groups/organisations involved in the RUAF-FStT programme.						
2. The NGO-FStT is building up and strengthening producers' capacity in diagnosis, planning, design, implementation and monitoring of local urban agriculture innovation projects and are developing related farmer training materials on both technical and organisational aspects, together						

[5] In some countries e.g. China this may be a University or other organisation rather than an NGO

with other relevant partners.						
3. The NGO-FStT builds capacity in and supports urban producer groups in the implementation of activities to strengthen their organisational structure, systems and functioning.						
4. The NGO-FStT are applying a gender sensitive, participatory, learning oriented and ecological approach and are enhancing the capacity of the producers they work with in this respect						
5. The NGO-FStT is participating in the Multi-Stakeholder Forum on urban agriculture and actively supports joint planning, policy formulation, implementation and monitoring of action plans on urban agriculture and food security						
6. The NGO-FStT is monitoring and articulating the changes resulting from their interventions together with the producer groups in order to learn from doing and to improve their performance.						
Like to see						
7. The NGO-FStT's is undertaking activities to promote networking, sharing of experiences and cooperation between urban producer groups/organisations in their city.						
8. The NGO-FStT is helping urban producer groups to establish strategic linkages with other stakeholders (local government, NGOs, service providers etc.)						
9. The NGO-FStT's has incorporated urban agriculture into their institutional programmes and budgets and is attracting funds to maintain and expand their activities.						
Love to see						
10. They NGO-FStT is strengthening the capacity of the producer groups they work with to develop project proposals on urban agriculture and food security and to access funding support.						
11. The NGO-FStT shares experiences with NGO-FStT working in other RUAF partner cities to contribute to joint learning and programme development.						

ANNEX 4.1.2.2: OUTCOME JOURNAL URBAN PRODUCER ORGANISATIONS (UPO)

NB: This journal should be further specified taking into account the various levels of support: for each cluster (UPFS groups) and the entire producers group (100 HH), cq a broader producers association.

Participants:	
OUTCOME CHALLENGE The programme intends to see urban producer groups and organisations (UPOs) that actively support collaboration and exchange among their members. The UPOs have developed a mission and strategic development plan that respond to the needs and priorities of their male and female members. The UPO promotes and facilitates equal participation of all its members (including women and youth) in organizational meetings, decision-making and management. The UPOs are improving financial management of their organization and develop activities that ensure their socio-economic sustainability and have set up a group saving scheme. The UPOs are consolidating their organization through joint performance monitoring to contribute to learning and reflection on leadership, participation, internal structure and functioning, their external linkages and the effectivity of their interventions The UPOs are enhancing the capacities of their members to innovate their farming systems from a market chain perspective, by actively participating in training activities, exchange visits and projects on the development of more sustainable and safe production, processing and marketing systems and chains. They have also set up associative structures for value-chain development, varying from input supply, enterprise development and marketing. With help of local partners, they develop new (not supported by FStT) or upscale existing innovation projects, using their own or externally mobilized resources. They are monitoring the impact of such projects on the livelihoods of their members (food security and income). The UPOs are actively and successfully participating in multi stakeholder policy design and action planning, implementation and monitoring on urban agriculture and food security. They are recognized by local authorities, planners, financial organizations NGOs and other stakeholders as legitimate players and are being supported by these organizations in order to realize their strategic development plans and innovation projects.	
<u>Individually</u> **Score of 1-5 (1 = Low; 5 = High)**	* represent baseline ● dot represent the ratings for 2009 x represent the ratings for 2010

PROGRESS MARKERS						
Expect to See	**1**	**2**	**3**	**4**	**5**	Explanation of the rating
1. The UPO counts with a mission statement and strategic development plan						

2. Group members, including women and youth, take actively part in organisational meetings, decision-making and management.						
3. The UPO is participating in the Multi-Stakeholder Forum on urban agriculture and supports joint planning, policy formulation, implementation and monitoring of action plans on urban agriculture and food security						
4. The UPO actively participates in training activities, exchange visits and projects on the development of more sustainable and safe production, processing and marketing systems and chains.						
5. The UPO has set up associative structures for value-chain development (input supply, enterprise development and marketing).						
Like to see						
6. The UPO has established a group saving scheme and are improving their financial system (Management, Financing, Accounting and Auditing).						
7. The UPO has established working relations with at least 3 other organisations (farmer organisation, NGO, municipality or private enterprise) in order to realise their strategic agenda.						
8. The UPOs is monitoring their own internal structure and functioning, as well as the progress and results from their activities and strategic linkages with other actors, in order to learn from doing and to improve their performance.-UA.						
Love to see						
9. The UPO is monitoring the impacts of their innovation projects on the income and food security of their members.						
10. The UPO develops new (not supported by FStT) or upscales existing innovation projects, using their own or externally mobilized resources.						

ANNEX 4.1.2.3: OUTCOME JOURNAL MULTI-STAKEHOLDER FORUM

NB: This journal should be further specified taking into account the roles and expectations for various individual MSF members (for example the Municipality).

Participants:

OUTCOME CHALLENGE

The programme intends to see Multi-Stakeholder Forums on Urban Agriculture (MSF-UA) that actively and successfully promote networking, sharing of experiences and cooperation on urban agriculture and food security among a variety of stakeholders (public, private, civil society: local and national government representatives, NGOs, CBOs, producer organisations, research institutes, Universities, financing organisations) in their city. The MSF is are formally recognised by the Municipality as a platform for strategic planning and advice on urban agriculture.

The MSF has developed a City Strategic Agenda on Urban Agriculture (CSA-UA) or updated/upgraded the CSA-UA that was developed during RUAF-CFF. The MSF facilitated formal adoption of the (upgraded) CSA-UA by the Municipality (City Council) and other MSF member organisations, as well as its integration in Municipal budgets and the institutional budgets of other Forum members. The MSF has operationalised the CSA-UA into concrete projects and developed a work plan for 2009-2010. As part of this work plan, MSF members have revised and formulated and facilitated formal approval of policies, norms, regulations, zoning and other plans on urban agriculture, leading to a better legal status and more funding and technical support for urban farmers. The Municipality (and participating national government actors) link the CSA-UA to other processes of revision/formulation of City Strategic Development plans, Economic Development Plans, land use Plans etc. All MSF members also actively engage in joint planning, coordination, implementation and monitoring of projects on urban agriculture, funding these activities with their own and externally mobilised resources. MSF members are monitoring the progress and results from their interventions in order to learn from doing and to improve their performance.

The MSF count with an internal structure and agreement, describing the roles and functions of their members. MSF members contribute their own institutional resources to the functioning and meetings of the MSF (for example by rotating the meetings in the MSF member organisations). MSF members meet regularly to review progress on implementing the work plan and organise an annual progress review and planning meeting. The upgrade/update the CSA-UA at least once every 2 years.

The MSF has established linkages/relations with other local forums and platforms working on topics related to urban agriculture (eg. slum upgrading, environmental management, food security, poverty alleviation and employment generation), thus raising broader awareness on urban agriculture and enhancing its inclusion in other urban projects and programmes. They also collaborate with MFS in other cities in their country and with other actors to support national policy formulation on urban agriculture.

Individually **Score of 1-5 (1 = Low; 5 = High)**	* represent baseline ● dot represent the ratings for 2009 x represent the ratings for 2010					
PROGRESS MARKERS						
Expect to See	**1**	**2**	**3**	**4**	**5**	Explanation of the rating
1. The MSF counts with an internal structure and agreement, describing the roles and functions of their members.						
2. The MSF includes among their members at least representatives from local government, NGOs, producer organisations, Universities and financing organisations.						
3. The MSF has developed or updated/upgraded a/the CSA-UA on urban agriculture.						
4. The MSF has facilitated the formal adoption of the CSA-UA by the Municipality (City Council) as well as other MSF member organisations.						
5. The MSF has operationalised the CSA-UA into concrete projects and facilitated their integration in Municipal budgets and the institutional budgets of other Forum members.						
6. The MSF has developed a (bi)annual work plan and MSF members implement and monitor projects on urban agriculture with their own institutional resources.						
7. The MSF meets regularly to share experiences and review progress on implementing the work plan and organizes an annual progress review and planning meeting.						
8. The MSF members contribute with their own institutional resources to the functioning and meetings of the MSF.						
Like to see						
9. The MSF has revised/formulated and facilitated approval of policies, norms, ordinances, by-laws, regulations, zoning and other plans on urban agriculture.						
10. The MSF links the CSA-UA to other processes of revision/formulation of City Strategic Development plans, Economic Development Plans etc..						
11. Every two years, the MSF upgrades/updates the CSA-UA.						
Love to see						
12. The MSF has mobilised external resources for implementation of larger and longer-term activities outlined in the CSA-UA						

13. The MSF has established linkages/relations with other forums and platforms, raising their awareness on urban agriculture and enhancing its inclusion in other urban projects and programmes.						
14. The MSF collaborates with MSF in other cities in their country and with other actors to support national policy formulation on urban agriculture.						

GUIDELINE 4.1.3: IMPACT MONITORING OF FStT INNOVATION PROJECTS

Participants:

- University staff and students (implementation)
- Local FStT coordinator and team (guidance and implementation)
- Regional RUAF coach (design up workshop)

When:

- Baseline: at the start of the FStT innovation project
- During project implementation: see frequency of use of different monitoring tools below

Aims

- To monitor impacts of our FStT project interventions on household as well as individual level (household members) and adjust where necessary project strategies and management.

Preparations:

During the second regional training

The local teams will be introduced to impact monitoring. The minimum set of RUAF monitoring indicators and tools to be used (see Annex 1) will be discussed and agreed upon. Additional indicators and tools should be identified in relation to the specific objectives of the FStT innovation project (see below).

During the development of the FStT innovation project plan

The specific (SMART-ly formulated) objectives for the FStT innovation project (see Guideline 3.6 Preparing the project plan) together with the jointly defined RUAF minimum set of indicators will form the basis for the definition of the monitoring indicators for the local FStT innovation project. For each specific objective corresponding indicators have to be formulated-see also Guideline 3.6 Preparing the project plan. The local team will **add** these indicators to the minimum set of indicators defined by RUAF, and the set of minimum indicators will be **further specified**. But make sure that **all "minimum indicators"** are included in the local project monitoring, since these are part of the overall "monitoring protocol" for RUAF-FStT agreed upon with the donor agencies.

Local monitoring workshop

A local monitoring workshop will be organized during which the regional coach (or coordinator) and the local FStT facilitator will brief university staff and students that will participate in the impact monitoring on the various tools that will be used to monitor the indicators agreed upon (minimum set + specific project indicators). In this workshop a **monitoring plan** (See Tool 4.1.3.1 Monitoring plan) will be developed by defining which data have to be gathered, with what frequency, who will be responsible for data collection, for data control and storage and for data processing and analysis. Also agreements will be

reached on the **sampling** (will we monitor all 100 households or just a sample?), the **interview guidelines and the data recording formats** will be prepared and tested.

The regional coach and local FStT-coordinator will select a university researcher that will coordinate the impact monitoring and meet him/her to brief him/her about the RUAF monitoring system and especially the impact monitoring and share related documents; The university staff will select 2 or 3 students that will participate in the monitoring; The FStT coordinator prepares the agenda of the workshop and timely invites for the workshop

During the workshop the following steps will be taken:

a. Explanation of the planned FStT innovation project **and the expected results / set of indicators to be monitored**

b. Review of the tools **to be used for the monitoring of these indicator**s

c. Development of the monitoring plan **(see below the Tool 4.1.3.1 Monitoring plan): who, will do, what, when, with what tools to monitor the indicators. Some activities can be performed by the farmers themselves (e.g. recording of food expenditures), others through periodic visits/interview by the students (e.g. income from sales; gender control over the increased benefits) or by the local FStT team during farm visits (e.g. adoption of technical and organizational changes) or during annual evaluation meetings, others will be done by the University researcher (processing and analysis of the data)**

d. Preparing and testing interview guidelines and recording formats

e. **T**his involves:

- The **preparation of the monitoring tools, interview guidelines and data recording** formats that will be used to monitor each specific indicator. For each indicator practical units of measurement have to be chosen that can easily be used in the field and make sense to the local producers (basket, bag, tin, cup, etc.) and the equivalent of these local measures in standard measures will have to defined (e.g. one cup = x cc, one bag is y kg). Also one will have to plan other means required during data gathering (like incentives for the participants, transport, etcetera).
- The **training of the students** that will perform the data gathering (guidelines how to approach and communicate with the producers –see the annex-, how to make appointments and other procedures to follow, use of the various monitoring tools, "what to do if", frequent errors and how to avoid these).
- The **testing** of these procedures and materials. We put this in bold since it is often forgotten but a very important step in the preparations. Ask a few households to cooperate in a test and let the students apply the data gathering as was prepared guided by a senior. Note down all problems that you encounter in the data collection process (in the interview questions, in the monitoring tools and formats, in understanding the answers of the producers, the duration of the interview, in the logistics, ……). Once all test monitoring activities have been implemented, the group gathers again:
  a. to discuss the improvements needed in the monitoring tools, interview guidelines, reporting formats etcetera
  b. to improve the skills of the students by providing feedback on their performance during the test monitoring activities and by discussing frequent problems and mistakes that occurred.

a. Selection of the households participating in the monitoring of each indicator (sampling):

When determining who will be selected to participate in the monitoring of a certain indicator, you will first have to decide whether you will monitor the whole population or a representative sample: either include all households[6] participating the FStT project (all 100) in the monitoring exercise, or take a representative sample of these. There are two main sampling procedures, which are described below. No matter which procedure is chosen, it is very important that the selection method be "at random[7]" as this always provides a better representatively of your monitoring results.

- If the **variation** among participating households, regarding variables of importance for the monitoring (e.g. incomes, production levels, levels of food security, etcetera), is **small**, then a **simple random selection procedure** will suffice. In this case, one can simply select each x-th household on the participant list, starting with a randomly chosen number. The results of the FStT diagnosis will provide indications to determine the degree of variation among the participating households.
- However, when the **variation is large** it may be considered to distinguish more homogeneous sub- categories and determine the required sample size per sub-category and apply the simple random sampling method for each of these sub-categories (**stratified random selection procedure**)[8]. Stratification is done to decrease the research costs (the sum of sample sizes for all sub categories will be lower than the sample size calculated for the whole target group population, if variation on this variable is wide) while sufficient representativety is maintained. However, this procedure is only meaningful if the variation is substantial for most variables we want to monitor.

Whatever sampling method you will use, we advise you to take a sample size of minimum 20 % (e.g. 20 households out of the total 100 households or minimum 5 households out of each UPFS group of 25 households) to assure a minimum level of representativity. All selected households should receive an unique ID number.

a. Incentives

A decision has to be taken what kind of incentives will be provided to the households that participate in the monitoring as a reward for their time, recording efforts and information supplied and when these will be supplied (preferably periodically)

Note: The testing and fine tuning of tools and formats might eventually be done by the responsible university researcher and students after the workshop.

Implementation:

Initial visit to the households included in the monitoring; collection of basic data

During this initial visit the selected households will be informed about the purpose and importance of the monitoring, how they have been selected, what it will involve, the confidentiality of the data (no use of names in reports) and related incentives and their commitment is requested.

If agreeing to participate some basic information on this household is collected:

- Name of household head: male or female:

[6] A household is considered to be made up of all persons that live under the same roof and eat from the same pot/kitchen.

[7] Selection of respondents from a population, with a known chance of selection. In simple random selection (selection in one step from the population using a random table or random number generator) this chance is equal for all units of the population. In stratified sampling, the chances of selection are known, but not equal.

[8] See for example IFAD (2002) A Guide for Project M&E – Managing for Impact in Rural Development (http://www.ifad.org/evaluation/guide/index.htm)

- Address/contact details:
- Household composition: note of each person living in that household the name, sex and age
- Per adult household member:
  (a) what is their current role in agricultural production, processing and marketing activities of this household?
  (b) what other activities / income sources (other than agriculture) does this person have?
- Names and sex of all persons in this household that are a member of an FStT group
- Total size of the land worked by this household
- Total number/type of animals
- List of all agricultural and livestock products (fresh and processed, including by products) are produced by this household

The data will be included in a record for each household that shows the unique ID number.

If the household declines to participate, the household that is next on the list of all households participating in the project will be selected to participate in the monitoring and visited.

Collecting base line data

For each of the indicators to be monitored, the situation at the start of the FStT project should be known (baseline data) in order to be able to measure changes in the indicator throughout the project. For example if we want to monitor the "an increase in income from agriculture with in average 15 % by the end of the project", we should know what the income level is at the start of the project (the baseline) and at the end of the project, in order to be able to compare and identify the increase realized.
The collected baseline data will be added to the record for each household.

Note: In practice, the data that are recorded during the first month that the indicators are monitored will be used as the baseline. However, if large seasonal fluctuations in the indicator are likely, one should seek a way to make an estimate of the average level in the past half year or year.

Regular monitoring and analysis

At regular times throughout the project –depending on the frequency of data collection for each of the indicators- the status of each indicator will be monitored. Every three months the University staff and students responsible for monitoring, the local FStT team and the regional coordinator/coach will discuss the degree of progress for the various indicators, analyse the factors (and actors) that contributed to or hampered change and draw lessons learned. In the same meeting, the results of this exercise will be discussed to identify possible improvements in the local project strategies and management.

ANNEX 4.1.3.1: RUAF IMPACT MONITORING FRAMEWORK

As part of the monitoring protocol defined for RUAF-FStT in agreement with the donor agencies a minimum set of indicators has to be monitored in each of the cities. As stated above, additional FStT project indicators –reflecting the specific objectives of the locally formulated projects- will be added to this minimum set.

In the RUAF monitoring protocol, we have defined 3 main groups of expected results for the FStT innovation projects. These groups of results include:
1. Positive changes in livelihoods of urban producers (income, nutrition)
2. Enhanced sustainability of the urban agriculture farming and marketing system
3. Gender mainstreaming

For each of these results, a minimum set of indicators has been defined and monitoring tools have been selected to monitor these indicators:

Expected result 1. Positive changes in livelihoods of urban producers
Target for 2010:
- Minimum 75% all households participating in the FStT project register improvements in income and nutrition of 10-15%;
- The remaining 25% of all households involved in the FStT project register improvements in income and nutrition of 5-10%;
- 30% of these benefits accrue to women (see result 3 Gender mainstreaming).

Expected changes result 1:	**Indicators**	**Monitoring tools** (Please find a description of the tools in Annex 2)	**Frequency**	**By whom**	
				Recording	**Collection / analysis**
Minimum required indicators					
Enhanced access to food[9] (Improved diet)	Savings on household expenditures on food	Registration of home consumption of self produced food	One week each month (depending expected variations in food production/consumption during year)	Producer households in sample (during 1 week)	University staff/ students
Increased or more continuous income	1. Savings on household expenditures on food 2. Income generated by sale of crops/products 3. Reduction of total production costs (or of selected main cost items e.g. fertilizers and	1.see above 2-4.Registration of household income and	One week each month (depending variations in income during the year)	Producer households in sample (during 1 week/month)	University staff/students

[9] NB Expected results are not yet SMART-ly formulated

	pesticides, hired labour, etcetera) due to improved farming practices or use of alternative sources of fertilizer or irrigation water, etcetera. 4. Share of income from agriculture compared to other sources	expenditures			
Possible additional indicators corresponding to the specific FStT project objectives- some examples					
Increased production	1. Increased production levels for selected agri-products (included in FStT project) 2. Increase in area under cultivation by the participants (total and for products in FStT project) 3. Extended production periods and production cycles per year (e.g. also in dry season)	1 and 3. Registration of household yields per area or (group of) animal(s) for the selected agri-products 2. Plot measurements of area under cultivation (total/selected crops) and number/types of animals	Periodic (during all "harvesting" periods in a year)	Producer households in sample (during all "harvesting" periods in a year)	University staff/students
Improved infrastructure (production, processing, marketing)	1. Type and capacity of new/improved individual or joint infrastructure and equipment	1. Project registration of distribution of materials to individual project participants and groups 2. Semi-structured household interviews (the households in the monitoring sample)	1.continuous 2.At start and at the end of the FStT project	FStT team 2.University staff/Student	FStT team 2.University staff/Students
Enhanced access to land/water, inputs and services	1. Number of producers households that have obtained better access to (good quality) inputs 2. Improved security of land tenure (e.g. length of lease, and other conditions) 3. Number of producer households having access to reliable sources of good quality water	1/2/3. Semi-structured household interviews (the households in the monitoring sample)	At the start and end of the FStT project	University staff/Students	University staff/Students

Expected result 2. Enhanced sustainability of the UA production and marketing system

Target for 2010:

- Minimum 65% all households (30% women) have adopted one or more of the innovations in their farming and marketing systems
- All projects effectively use/built on local resources, technologies and institutions

Expected changes result 2:	Indicators	Monitoring tools	Frequency	Who	
				Recording Registration	Collection / Analysis
Minimum required indicators					
Technical innovations in production, processing and/or marketing systems have been adopted	1 Adoption rate of proposed technical innovations among the households (and men/women) directly participating in UPFS 2. Adoption rate of proposed technical innovations among the households <u>not</u> directly participating in the UPFS groups/ FStT project a. in the same neighbourhoods where the project is implemented b. in groups in other areas with whom exchange visits have been organised	1a Field observations and interviews with the producers (see also Guideline 3.5.2 Implementing and monitoring of the UPFS) <u>and</u> 1.b Semi-structured household interviews (the households in the monitoring sample) 2a and 2b. Focus Group discussion	1a. After each UPFS meeting 1b and 2. At the start and end of the project	1a. FStT team 1b and 2 University staff/Students	1a.FStT team 1b and 2 University staff/Students
Organisational innovations have been realized by the producers groups	1. Degree to which proposed organisational innovations have been realized by the UPFS producer groups/clusters participating in the FStT project 2. Degree to which organisational innovations have been realized by the larger producer organization/association	1.Field observations and interviews on effects of UPFS-sessions (see also guideline 3.5.2 Implementing and monitoring of the UPFS) 2. Outcome journal UPO	1. After each UPFS meeting 2. At end of each year (during annual review and planning meeting)	1 and 2 FStT team	1 and 2 FStT team
Technical and organizational innovations effectively built on local resources, knowledge and institutions	1. Reduced (or safer) use of external inputs 2. Increase in number of linkages with local institutions and other producer groups and quality and quantity of services obtained	1 and 2. Focus group discussion (+ field observations) 2. Outcome journal UPO	1/2. At end of each year (during annual review and planning with each group and larger organisation)	1 and 2 FStT team	1 and 2 FStT team
Possible additional indicators corresponding to the specific FStT project objectives- some examples					
Improved waste (water) recycling	1.Increased (or safer) use of urban organic wastes and waste water	1 Focus group discussion (+ field observations)	1 At the end of each year (during annual review and planning meeting)	1. FStT team	1. FStT team

Expected result 3. Gender mainstreaming

Target for 2010:

- All local FStT projects integrate gender in their design, implementation and monitoring

Expected changes result 3:	Indicators	Monitoring tools	Frequency	Who	
				Recording Registration	Collection / Analysis
Minimum required indicators					
The design of the FStT innovation projects is gender sensitive and responds to strategic and practical needs women	1. Number of men and women participating in the feedback meeting and development of the business plan 2. Project objectives have been gender specified and monitored 3. Majority of women see their priorities reflected in the selection and definition of the MoPO 4. Degree to which the project has taken specific measures to overcome locally important constraints for the full/equal participation of women in production, processing and marketing activities, as well as in the producers organisation (e.g. gender awareness activities with men; women as individual members and beneficiaries; quota for men/women in specific functions; specific training for women in leadership skills etc).	1. Participation records (for meetings) 2. Gender check of project and monitoring plan and reports 3. Focus group discussion (with women) 4a. Gender check of project plan and reports and 4b. focus group discussion (with women)	1. In each meeting 2 and 4a. After development project plan and every three months during review monitoring sheets 3. At feedback meeting 4b. At feedback meeting and in annual review and planning meeting	1-4. FStT team	1-4. FStT team
Men and women participate fully in all FStT project and group activities	1. Degree of participation of men and women in the implementation of FStT project activities (UPFS group meeting, annual planning and review meetings) 2. Participation in decision making in groups/organisation	1. Participation records of UPFS groups and other project meetings 2a. Registration of the number of women in leadership roles in each group/organisation and 2b. Focus group discussion	1. In each FStT meeting with producers 2a. At start and in annual review and planning meeting 2b In annual review and planning meeting	1 and 2 FStT team	1 and 2 FStT team
Empowerment of women	1.Women's access to and control over resources distributed by the project (information / knowledge; credit, tools, seed, equipment) and the benefits (products, income) resulting from the project 2. Changes in women's role in decision making in the household (with help of decision making matrix)	1. Focus group discussion (with use of the benefits chart) and 2.Semi-structured household interviews (the households in the monitoring sample) with use of the decision making matrix	1.At start of project and in annual review and planning meeting 2. At start and at end of the project	1. FStT team 2. University staff/students	1.FStT team 2. University staff/Students

ANNEX 4.1.3.2: MONITORING TOOLS

1. Household registration on income and expenditure

For the monitoring of impacts of the project on household expenditures and income one may make use of simple registration formats that permit the self-registration of related information by the households concerned.

Regarding household income, we may distinguish 2 categories: income from agriculture and income from other sources. Income from agriculture should be registered in one column, while income from other sources should be registered in a second column.

Within household expenditures, we may discern 4 categories: expenditures on food, costs of agricultural production (i.e. seeds, fertilizers, hired labour, rent for plot, irrigation water, transport, etc.), health expenditures and other expenditures. Each type of expenditure should be registered in a separate column.

If local circumstances indicate that other categories of income and expenditures are more appropriate, these can be adapted.
During selection and initial meeting with the households participating in the monitoring (see preparations) information has been gathered regarding the products produced by each household, as well as information on other income sources the household may have.

During the preparation stage it will also have been defined when data on the selected indicators will be collected. For data on production and income a schedule of registration during 1 week of each month would be optimal, in order to take into account seasonal variations (just measurements at start and end of the project would not provide reliable data). During off season periods, intensity of registration may be reduced.

The University staff/students responsible for monitoring income and expenditures will visit all households participating in the monitoring exercise at the beginning of the selected registration week to distribute the data registration sheet which will be collected again at the end of the week (7 days). When delivering the sheet the research student notes his/her own ID number and that of this particular household on the sheet as well as the number of the week during which the household will register its income and expenditures. The student will also provide explanations regarding what should be registered and how. For every day, one household member that is able to read and write will note down all the income received from agriculture and from other sources and the expenditures for several cost categories.
When collecting the sheets at the end of that week, the research student will check the data inserted in the sheet and sum the totals in each category. If certain data are missing or very unrealistic or not clear he/she will seek to complement/correct/clarify the data by discussing the income/expenditures on that day with the household members.

For the **data processing** a second sheet **(**the analysis sheet included below) may be used (also available in an Excel format)
The first step in data processing and analysis would be to copy the monetary values per week for all the variables we have been collecting to this sheet. Then the following variables can calculated:

- net income from agriculture (agriculture income minus costs agricultural production)
- share of agriculture related income in total overall income (absolute and relative)
- total week income and expenditures
- share of food expenditures in total household expenditures (absolute and relative)

At the moment that we have available data from various moments in time, we can also calculate the development over time (increase/decrease) in these variables.

Data registration sheet on income and expenditures

Researcher ID # ☐

Household ID # ☐

Week # ☐

	CATEGORIES	MON	TUE	WED	THU	FRI	SAT	SUN	WEEK TOTAL
INCOME	FROM AGRICULTURE (fresh or processed)								
	FROM OTHER SOURCES								
EXPENDITURES	FOOD								
	AGRICULTURE PRODUCTION								
	HEALTH								
	OTHER								

Data analysis sheet for household income and expenditures

Researcher ID #

Household ID #

Week #

INCOMEI		
VARIABLES	INCOME CATEGORIES	
	FROM AGRICULTURE	FROM OTHER INCOME SOURCES
WEEK INCOME		
SHARE IN TOTAL (ABS.)		
SHARE IN TOTAL (%)		

EXPENDITURES				
VARIABLES	EXPENDITURE CATEGORIES			
	FOOD	AGRICULTURAL	HEALTH	OTHER
WEEK EXPENDITURES				
SHARE IN TOTAL (ABS.)				
SHARE IN TOTAL (%)				

NET HOUSEHOLD INCOME FROM UA	

2. Registration of home consumption of food produced

Another data registration sheet will be used to register also during one full week per month how much of the self produced food is consumed by the household. When the recording starts, the research student will visit each household included in the sample to distribute the registration sheet and to make - together with the household concerned- a list of food items that are produced by this household and might be consumed by this household. The list of crops/animals grown/raised by this household that was made during the initial visit to each household included in the sample provides a good starting point. The food items that are home produced are included under the column Food items. For each home-consumed food item practical units of measurement have to be chosen that can easily be used in the field and make sense to the local producers (basket, bag, tin, cup, piece etc.) and the equivalent of these local measures in standard measures will have to defined (e.g. one cup = x cc, one bag is y kg).The University staff/students responsible for monitoring home consumption will visit all households participating in the monitoring exercise at the beginning of the selected registration week (same week as used for income/expenditures registration) to distribute these data collection sheets and to provide explanations regarding the registration. At the end of the week the research student will visit all households again to check and collect the register. A possible format for the data collection sheets is displayed below.

Data registration sheet on home consumption of food produced

Researcher ID # ☐

Household ID # ☐

Week # ☐

Please record daily the quantity of each self produced food item that are consumed by the household

	Food items	MON	TUE	WED	THU	FRI	SAT	SUN	WEEK TOTAL
	E.g. Crops of lettuce								
	E.g. Cups of ground nuts								
	E.g. Tins of maize								
	E.g. Number of eggs								

When **analyzing the data** first for each food item, the total quantity of food consumed this week will be calculated. This quantity is then given a monetary value using current market prices for each food item. Subsequently, the total value of the home produced food consumed by the household, representing this weeks' cash savings on food expenditures by self production by this household.

Researcher ID # ☐ Household ID # ☐ Week # ☐	Food items	Week Total (quantity)	Market value/unit	Value / week
	E.g. Crops of lettuce			
	E.g. Cups of ground nuts			
	E.g. Tins of maize			
	E.g. Number of eggs			
Total value food consumed				

3. Semi-structured household interviews

These are discussions in an informal and conversational way, structured by using a list of key issues that is prepared in advance. They can be useful to obtain information in general or about a specific topic, to analyze problems and opportunities or to discuss plans as well as to elicit perceptions (e.g. on security of land tenure). It is advisable to take not more than an hour for a household interview.

How to conduct semi-structured interviews:
1. Prepare in advance an interview guideline. This is not a questionnaire but a list of topics that you want to discuss with them (grouped in such a way that the sequence of the discussion will be easy to manage for the respondents). Also prepare for each topic initial questions (to introduce the topic and make the respondent think and talk about it) and probing questions for each topic (to dig deeper, to get more details: what, why, who, when, how, how do you mean, anything else, but why, etc.).
2. Deal in the interview with the topics one by one. Ask your questions in an open-ended and encouraging way. Use probing questions (You just said that ….; Can you tell me more about that? Can you give an example? When/where did that happen? Etcetera) to dig deeper and improve your understanding. Allow the interviewed person also to raise her/his questions and discuss these too. Involve other members persons of the household in the discussion if present, to get a more balanced view. It is important to include women as respondents in the interview and to encourage women to give their views. When may also

interview the adult male and female members of the household separately, eventually followed by a discussion on certain issues with the whole household. If possible let a male member of the team interview the male member of the household and the female team member the female in the household.

4 Focus group discussions[10]

Focus group discussions are semi-structured interviews with a group of persons that have certain pre-defined characteristics in common (e.g. the female participants in the project, the households participating in the annual review and planning meeting, the households that have participated in an exchange visit). In the focus group discussion, well-selected topics are discussed under the guidance of a facilitator, in order to collect information on their practices or to get their views regarding these topics (e.g. adoption of certain new practices, role of women in decision making in groups and at home)

During these meetings use can be made of other tools (such as a decision making matrix or benefits chart; see below) to solicit information and views in a participatory and pleasant way. The group discussions allow not only to collect data on the selected indicator(s), but also to discuss the factors that facilitate or hamper progress.

The focus group meeting will start by shortly mentioning the purpose of the meeting and inviting people to mutually introduce themselves (if people don't know each other yet). The facilitator should ensure that participants feel at ease, understand why they are here and what is expected from them. Explain that what participants say will be confidential. Explain how long the meeting will take. If the number of participants is small the activities may be implemented with the whole group, eventually subdivided in men and women. Make sitting arrangements that allow that everyone can see everyone else in the group. The facilitator introduces the topic to be discussed and poses the first main question. The facilitator encourages the participants to speak, especially when certain group members speak a lot and others hardly. If working in a mixed group, special attention is given to encouraging women to voice their opinions. Participants at all times should be able to express opinions, experiences and suggestions and a participant should be allowed to speak freely about all aspects he/she wants to cover. However, the facilitator should lead the group discussion back to the main issue by posing the next question to be dealt with by the group or repeating an earlier one. Sometimes the facilitator will assist a participant to clarify their view by probing for clarification or more information.

If the number of participants does require so, the group is divided in small groups, either mixed groups or homogeneous groups of men and women. In the latter case, sub-groups should each have a team member as facilitator (a female interviewing the women, a male interviewing the men).

The method is a mainly qualitative but certain level of quantification is well possible. This can be done with the help of a **ranking** technique directly after the discussion on a specific topic. To demonstrate how this works, we take the indicator 'Positive health impacts of urban agriculture' as an example.

[10] The website of the Chronic Poverty Research Centre provides a good overview of the methods that can be used to organise and hold a focus group discussion (http://www.chronicpoverty.org/CPToolbox/FGD_Interview_Methods.htm).

The small group discussion may have resulted in the identification of a number of positive health aspects that have occurred in their opinion. These effects are written on a black board or sheet of wall paper (see figure 1 column 1) and indicated with symbols. Subsequently all participants are asked to vote which impact (s) they consider the most important ones. Each participant might be given one vote or several votes, which can be distributed over the various items in the list according to the individual preference. The voting might be done with help of small sticks or pebbles (if the matrix is on a table or the floor). In the example 6 male participants (ABCDEF) and 6 female participants (FGHIJK) each received 5 stones which they distributed among the 5 impacts mentioned according to his/her own preference. Once the ranking has been defined, the facilitator will ask the participants to put forward their arguments for the order of priority. He/she may also try to get an order of magnitude for e.g. the increase in food availability. A note taker will insert these comments in the last column.

Figure 1 Example of ranking exercise

Positive health impacts of UA	**Male respondents**							**Female respondents**							**Total score**	**Ranking**	**Comments**
	A	**B**	**C**	**D**	**E**	**F**	**Total**	**F**	**G**	**H**	**I**	**J**	**K**	**Total**			
More food available	2	3	5	3	2	3	18	3	1	2	3	2	1	12	30	1	
More diverse and healthier food	1	2	0	2	1	2	8	1	3	1	2	2	2	11	19	2	
Less dirt around the house due to better farm waste management	2	0	0	0	0	0	2	0	1	1	0	1	2	5	7	3	
Less exhaustive work	0	0	0	0	1	0	1	1	0	1	0	0	0	2	3	4	
More trees/green	0	0	0	0	0	1	1	0	0	0	0	0	0	0	1	5	

One may also try to seek to quantify one of the effects e.g. the increase in the food availability, by first inviting some people to indicate with what percentage food availability has increased and then use the variation in the answers to establish a scale and invite all participants to score (see figure 2).

Figure 2 Example ranking/quantification

Availability of homegrown food for consumption	No increase	Less than 10% increase	10-25 % increase	25-50 % increase	Over 50% increase
Male respondents	0	1	2	2	1
Female respondents	0	2	3	1	0
Total score	0	3	5	3	1

The same may be done with e.g. the decrease in the incidence of certain diseases and similar variables. Also other ranking methods may be used (see www.iied.org/NR/agbioliv/pla_notes).

Also for focus group discussion a **structured guide** of key questions has to be developed (main questions and sub questions) and pre-tested. Some of the main questions may form the introduction to application of a PRA tool while the sub questions then will be used to stimulate the group work with the PRA tool concerned (e.g. making a map or a diagram).

The moderators of the group discussion should preferably be persons that have experience with facilitating group discussions with members of the target group, have sufficient understanding of urban agriculture and the ongoing project. The group moderators should be acquainted with the basic principles of guiding focus group discussions: how to stimulate exchange of information and opinions among the participants regarding the selected key topics and to keep the group discussion on course, without taking a position on any topic. Every response is considered valid. The moderator should not support or criticise any response and should avoid to give technical advice or seek to resolve a particular problem. Both concrete information and opinions are relevant. The moderator should not be concerned if the group is silent at any point. It may be the first time that participants have thought about the issue you are discussing. The training of moderators might be well combined with the pre-testing of the interview guide.

Also the note takers have to be properly instructed and taking part in the pre-testing would be an important part of their training in order to strengthen their abilities in practice. The note taker preferably makes use of a simple recording format that allows to group the main answers according to the main and sub topics of the interview guide.

For each focus group meeting a separate report will be made. After several meetings have taken place an analysis of the results over time should take place so as to provide an insight in the developments and trends over time.

5. Field observations (+on the spot interview) on effects of UPFS sessions

During field visits to participants the facilitators will observe the actual application of the UPFS training by the participants (Are they applying the recommended practices and correctly?) and discuss with them reasons why certain recommended practices are not applied or not correctly and one and other is recorded (see Tool below).

Before going on a field trip the learning objectives of the UPFS sessions that have been implemented so far are listed in the first column. While visiting group members the team members observe what they have done / are doing in practice regarding each of these learning objectives: are the participants applying in practice what was agreed to do and do they apply the recommended practices correctly? The actual practice of each participant visited will be rated and the reasons for non or not correct application (mentioned by the participant or observed by the facilitator) are recorded. It is recommendable to record during each field visit at least 5 participants per cluster and that the facilitator selects in each field visits another 5 participants in order to prevent biases.

Direct observation is a useful to obtain a better picture of the situation (people may be tempted to tell you what they expect that you want to hear; by observation on the spot what the participants are actually **doing** (and then talk about it) we can get a much better insight in the real situation as well as factors to hamper or facilitate the process.

Monitoring visit applied by (name): **to cluster:** **on (date):**

Learning objectives	Correctly applied by participants? scale 0 (not applied) to 5 (fully and correctly applied)						Gaps in knowledge or skills identified regarding this topic	Other reasons for non- (or not correct) application of this topic mentioned	Other observations
	Part. 1	Part. 2	Part. 3	Part. 4	Part. 5	Part. X			
Session 1									
1.									
2.									
3.									
4.									
Session 2									
1									
2.									
3.									
4									
Etcetera									

NB allow more space for each row before taking the format to the field

6. Gender tools (to be used in combination with household interview or focus group discussion)

6.1 Project Benefits chart

This technique is applied to analyze the gender distribution of benefits derived from the project by the participating households in the project.
The exercise can be done with the members of the households included in the sample for the monitoring and/or in a focus group. One can work with a mixed group, which may lead to lively discussion on household decision-making. But, if women do not speak up in a mixed group, one may choose for doing this exercise with the male respectively female members of the household or focus group separately. The procedure for the benefits analysis is as follows:

- Ask the household/group to mention all benefits that the household derived from its participation in the project. e.g. cheaper or better inputs, more knowledge/improved technologies, more production, more income, better nutrition, more cooperation among the producers, better marketing, less pests/diseases, more credit, etcetera. These are written on index cards (one card for each benefit)
- Take the cards one by one and ask the most appropriate question (see the benefits chart)

The team should ensure that the discussion is systematic and focused on the information being sought.

Project benefits chart

Benefits obtained	For enhanced knowledge, skills, technical assistance, improved technologies, etc: **who in the household mainly received (and gained from) this new ….?** (interviewer: include the benefit concerned e.g. this new knowledge)			For more production, income, credit , inputs or materials obtained, etcetera: **who in the household decides on the use of the extra ……. ?** (interviewer: include the benefit concerned e.g. the extra income)			For more food, better nutrition, improved health, etcetera: **Who in the household has benefitted most by the improved ……..?** (interviewer: include the benefit concerned e.g. the improved food availability)		
	Mainly the husband or other male adults and boys	*Both gender equally*	*Mainly the wife or other female adult and girls*	*Mainly husband or other male adults and boys*	*Both gender equally*	*Mainly the wife or other female adult and girls*	*Mainly the husband or other male adults and boys*	*Both gender Equally*	*Mainly the wife or other female adult and girls*
1.									
2.									
3.									
4.									
Etc									

6.2 Decision making matrix

A decision-making matrix can be created to get a better idea of who takes the decisions on which issues within the household, and therefore how the decision-making power is distributed between the members of the household. It is created by listing the different issues on which decisions have to be taken vertically, and by stating the decision makers horizontally. Below you will find an example of this kind of matrix. If participants differentiate their answer this may be included in the comments column or directly in the columns of the decision makers (e.g. - if that applies one- may write in the “male” column “for male labour” and in the “female” column “for female labour”)

Decision-making matrix

Decision regarding:	**Decision is taken by**					**Comments/explanations**
	Male	**Male/female member jointly**			**Female**	
		Male dominates the decision	Equal influence	Female dominates the decision		
* ***Inputs***: - who decide(s) how the available family labour will be used? - who decide(s) what inputs to buy? - who decide(s) to hire additional labour? - …?						
* ***Production***: - who decide(s) which food crops to grow? - who decide(s) which cash crops to grow? - who decide(s) where to plant what? - who decide(s) when to harvest? - who decide(s) whether certain products will be processed or stored? - …?						
* ***Marketing***: - who decide(s) what part of the harvest is sold and how? - who decide(s) what animals or animal products are sold and how? - …?						
* ***Investments:*** - who decide(s) to buy equipment and tools? - who decide(s) to take a loan? - who decide(s) to buy or rent additional land - who decide(s) to buy more animals? - …?						
* ***Reproduction*** - who decide(s) whether a child goes to school or not? - who decide(s) on going to a doctor? - who decide(s) whether or not to apply birth control? -…..?						

ANNEX 4.1.3.3: FOR TRAINING OF STUDENTS: DO'S AND DON'TS IN THE COMMUNICATION WITH FARMERS

To communicate well with farmers during impact monitoring the following skills/attitudes are important:

a. Showing respect for farmers views and their abilities
b. Active listening; Effective use of the right types of questions
c. Body language

ad a. Showing respect

DON't visit unannounced the individual households participating in the monitoring. DO contact key persons in the household in advance to explain the backgrounds of the monitoring exercise and ask their cooperation, the selection of suitable dates and time and location for the meetings/visits.

DON't rush; DO introduce yourself and explain why you are here and in what perspective you want to discuss certain things with them. DO create a friendly atmosphere and encourage the farmers to open up and to share their views on their farming situation.

DON't treat farmers as "respondents"; DO show a genuine interest in their livelihood, problems, viewpoints, etcetera

DON't see the farmers' complex reality only through the tinted and narrowing lenses of your own discipline and with scientific criteria. DO: try to understand the farmer's criteria and their perspective on the local situation and "futures possible"

Ad b. Active listening / correct use of questions

DON't fire new questions quickly after each other. DO always first check whether you understand what the farmer just said before asking a new question, e.g. by asking for clarification ("could you please give an example?", "Please explain more") or by summarizing what the farmer just said to check whether you understood well and to give him/her the chance to correct if needed ("Do I understand you right, that ……"; "……is this what you mean?, "It sounds like you are saying that…..?).

DON't ask suggestive questions (don't you think also that this is really becoming a problem?)

DO preferably use open questions (What is your opinion about? Please tell me how you …?), probing questions (What do you mean when you say …?; Can you tell me a bit more about …..?

DON’t allow that team members mix all sorts of questions on a variety of topics. DO discuss topics one by one; for each topic one person might lead the conversation in a structures way going from the more general questions to more detailed issues.

DON’t take an answer for face value. DO use “probing” questions to help the farmer to dig deeper (Please explain why you find this technology better than that one? May I ask why you sold your cow? What caused the problem you just mentioned?)
DON’t start lecturing and be modest in giving opinions or advice (at least not before you have really explored farmers’ situation well with him/her) although farmers often ask for your opinion/advice early on in the communication. DO turn such a question around to the farmer by asking what she/he thinks what might be the causes of a problem, what is their opinion regarding possible solutions, etcetera.

DON’t ask only for the problems the farmers encounter; DO ask also what innovations and new practices they have developed in these last few years, their perspectives on the development of their farm, etcetera

DON’t talk only to the most influential, the leaders, the males, the people that communicate easily with you; DO make a conscious effort to also communicate with the less powerful, those endowed with few resources, the women, those who don’t speak up that easily (or only in another language): systematic selection of participants, working in subgroups, making room for silent people, checking whether the opinions expressed by someone are really shared by the others and help people to voice differing views, etcetera.

DON’t talk only: DO observe in the field, let participants make drawings, maps and diagrammes and use other participatory techniques

Ad c. Body language

DON’t only talk with the farmers with your mouth and ears but also with your eyes and body posture. DO pick up non-verbal signals from the participants and be aware of your own body language (gestures, way you sit, smiles, nods, looking away, etcetera) which will be interpreted by the farmers (and maybe in an unexpected way) and influence the communication

TOOL 4.1.3.1 MONITORING PLAN

Indicator	Whole population or sample size	Monitoring tool to be used	Frequency of data recording & collection		Who will do what			
			Recording Registration	Data Collection	Recording Registration	Data collection	Data control & storage	Data processing & analysis

NB. Please consider the fact that monitoring data on different indicators can be collected or recorded at the same time – for example in the same meeting, interview or focus group discussion (see also Annex 1):

Monitoring tool	Indicators to be collected
Household recording registers (one week a month minimum)	- Savings on household food expenditures on food - Income through sale of crops/products - Reduced production costs - Share of income from agriculture compared to other sources
Yield and plot measurements (periodic during harvesting)	- Increased production levels for agriproducts included in FStT project - Increase in area in cultivation (for products included in FStT project) - Extended production periods/cycles
Field observations and interviews with producers (after each UPFS meeting)	- Adoption rate technical innovations - Adoption rate organizational innovations - Reduced (or safer) use of external inputs

	- Increase (and safer) use of organic waste and waste water
Semi-structured household interviews (at start and end FStT project)	- Type and capacity infrastructure and equipment - Number of producers households that have obtained better access to (good quality) inputs - Improved security of land tenure (e.g. length of lease, and other conditions) - Number of producer households having access to reliable sources of good quality water - Adoption rate technical and organisational innovations - Changes in roles women in decision making
Focus group discussions with households in monitoring sample (+ field observation)	- Reduced (or safer) use of external inputs - Increase (and safer) use of organic waste and waste water
Focus group discussions with women (+use of benefits chart and decision-making matrix) -at feedback meeting, start project and annual review and planning meeting	- Degree to which project takes measures to overcome traditional constraints women participation - Participation in decision making group meetings/organisation - Women's access to and control over resources (with use of benefits chart)

THEMATIC TEXT / GUIDELINE 4.2: STRENGTHENING PRODUCERS ORGANIZATIONS

What is a producer organisation?

In a producer organisation, producers cooperate to realise certain activities and apply certain resources to achieve common goals**.**
A producer organisation is not just a social organisation, but also a business venture.

There are a number of **fundamental conditions** for a successful producer group/organisation:

- Existing problems that cannot be solved individually (or existing opportunities that cannot be made use of individually). A group of motivated persons is needed with a clear need and a clear common goal, otherwise the cooperation will not succeed
- There is no alternative to cooperative self-help e.g. help cannot easily be provided from family, a social institution, or the state. If there is another way to solve the problem, people will prefer to use that option then going the difficult way of cooperating with other households in a producer organisation.
- The advantages of membership (access to land, goods, inputs, loans, services, markets, information; higher returns by adding value; more political claim making, etc.) outweigh the duties/costs of membership (e.g. contribution of scarce resources such as money, time, land, equipment, dependency of the organisation, social costs, etc.).
- At least a few persons amongst the group have leadership abilities. It is essential for successful work that these people are reliable and have charisma.
- There are no legal or political restrictions on groups being able to elect their own leaders; market their own goods; earn profits and to make their own decisions about distributing surplus, etc.

The above seems obvious, but is often insufficiently taken into account.

A producer organisation has various **key dimensions**:

- **Orientation:** the mission, objectives and action priorities (or policies) that orient the cooperation within the organisation
- **Organizational structure** (internal structure, tasks, responsibilities, decision making**)**
- **Management** (planning, accounting, information, communication, monitoring, control) that form the vehicle through which one realizes the objectives
- **People** with their **motivations, values, attitudes and capacities** that at make up the organisation and who realize the activities
- **Resources** (infrastructure, equipment, financial means)
- **External relations** (direct chain actors, extension and research organisations, credit institutions, control organisations, etcetera)
- **Performance**

Strengthening urban producer groups/organisations

1. Supporting recently established groups

Cooperation between farmers will develop more easily if group members are more homogeneous: share certain socio-cultural backgrounds, have similar interests and work on similar production activities). A common bond means less disputes and more efficient learning. Participation in a group should be voluntary.

It is important to help the groups in setting realistic objectives, selecting their leaders and how they will make decisions (majority vote or by consensus) and establishment of basic group rules (attendance in meetings and activities, membership fee, participation in group savings scheme, etcetera). Such rules can be expressed through songs or poems and repeated regularly at the start of meetings in order to help illiterate members remember them. Build up the sense of ownership among the members and stimulate responsibility and solidarity.

Initial groups (at least their leaders but preferably the whole group) need practical training in themes like group dynamics, leadership, group decision making and how to deal with disagreements, record keeping and basic accounting, group savings, planning and monitoring of group activities, problem solving, etcetera.

Frequent meetings, preferably on fixed days and times, are desirable during the early stages to develop group discipline as well as to work out its objectives, its basic group rules and behavioural norms (e.g. regarding expected participation in group activities and savings scheme, rules for group decision making, code of ethics, preferred leadership style, how to deal with “free riders”, etcetera), distribution of tasks (and related rights and obligations) and incentive and contribution systems.

Prevent that a group will depend too much on a single individual. Stress differentiation and rotation of task and functions in the group. Promote that all members acquire minimum skills in order to understand how their organisation works. Without this, there will be a risk of domination by one or a few persons (for instance the only literate and numerate member or a person with more socio-economic status).

Highlight the importance of member contributions. Regular group savings are essential and should be encouraged. Member contributions to group activities help build a sense of group ownership and solidarity. See also the Guideline 4.3 on Group savings systems and revolving funds.

Encourage simple record keeping. Records help the group remember what has been decided at meetings and keep track of contributions, income and expenses. They are essential for monitoring group business activities.

In its early days, an organisation will probably be fragile and should avoid the temptation of trying to satisfy all of the members' (possibly conflicting) demands. This would disperse energies, over-stretch management capacities and be difficult to fund, thus weakening the young organisation. The accent should be placed rather on handling one or a few services that are essential to the majority of the members.

The NGO-FStT staff in the FStT team (also named “facilitators” in the remainder of this guideline) should familiarize themselves with topics like group dynamics, leadership, group decision making and how to deal with disagreements, record keeping and basic accounting, group savings, planning and monitoring of group activities, problem solving, etcetera so that he/she he can continuously strengthen these capacities in the group members during group meetings. He/she should also develop basic facilitation skills based on principles like: start from what happens in the group and what participants want to learn, encourage use of group members own knowledge, experience and skills (including the capacity to collect information, analyse, reflect and draw conclusions), enhance their capacities in problem solving and decision making and increases their self-confidence and self-esteem. The facilitator contributes to the group meetings with his/her own knowledge, ideas and experiences but first and for all helps to structure group meetings, helps the participants to express their experiences and opinions and others to listen carefully, assist the participants to explore a topic in more detail and to stimulate creative ideas (by asking encouraging and “probing” questions: Please tell us more about that, give us more details; what/where/when happened?; why do you think this happened? any other causes? What do you think of it? What can be done to prevent such problems? What are advantages and disadvantages of each solution? etcetera), to encourage everybody to contribute and to help to come to clear conclusions and decisions.

The facilitator needs to pay special attention to women's participation in discussions and activities and can increase their involvement by encouraging them (look at them invitingly, ask a question) and discouraging men who dominate discussions (look away from them; invite them to ask the opinion of hitherto silent members). He/she can also encourage members to form separate men and women's discussion groups before treating a topic in the mixed group.

2. Up-scaling and/or building inter-group associations

The organisation has to reach a critical mass which will provide it with the power to operate effectively and efficiently. But the larger the group becomes the more remote it will become - both geographically and humanly - from its members, and it will therefore be less sensitive to their needs and interests. However, survival and sustainability of an organisation will depend as much on the solidarity and loyalty of the membership as on economic factors. Member solidarity is essential for the group to get through the economic downturns they will inevitably encounter. Member loyalty will be generated if the association aims to satisfy members' felt needs first, generate net positive benefits for each member and obtains the cooperation of its members for activities aiming at achieving long-term technical and financial self-reliance.

Expanding the range of activities should be undertaken only with prudence and realism and, to avoid getting hopelessly into debt, only when the necessary finance has been saved and set aside. Prudent expansion must be a primary concern and the first question must be whether there is a market for the planned activity and, if so, whether it can be launched with available resources. But choices will be difficult. There is often a tension between setting the prices for services to members (price of inputs, fee for marketing activities, fee for training/technical assistance, costs of loans, rent for equipment, etcetera) as low as possible (but minimally cost recovering!) and the wish to accumulate some capital from operating profits for further expansion and new investments (requiring a bit higher prices of services), which has caused headaches for many leaders of farmer organisations.

Scaling up small groups has its limits. Encouraging small groups to link up into larger inter-group associations -once they have achieved satisfactory self-reliance- can further increase their marketing power and economies-of-scale. But inter-group associations are more complex and difficult to manage than small groups and require different approaches and methods. Typically, an intergroup association may involve 5 - 15 groups, serving 25 - 150 individual members, with geographic scope varying from a village to a cluster of villages. It is important that the primary groups have developed a minimum self-reliance and internal cohesion and experience in collective action planning, decision making and implementation. The decision to join a wider grouping must be carefully made. If the decision has been made based on a careful review of the benefits and costs (both economic and social) the group members will be more committed to actively contribute to the association.

In the development of a producer association it is important to give sufficient attention to leadership development and establishing appropriate systems of member finance and member participation in decision making. The willingness to accumulate savings at the association level has been shown to be an important criterion for forming a second level association since it indicates the willingness of the primary groups to pool their savings and to finance certain joint activities. The larger scope of the association's activities will mean that it will quickly need larger operating funds and the own savings in a bank account can serve then as collateral for obtaining a loan.

The success of a producer association will depend greatly on the human resources at its disposal and much will hinge in the early stages on suitably qualified volunteers from among the membership. Training members, or recruiting the right people, is the best way to set an association on the road to self-reliance. Achieving the required levels of qualification, calls for appropriate training, adapted to the members' actual educational level and management experience.

Where the association provides services such as input supply, marketing, or credit, the managers will need to develop additional technical skills: for example, how to develop a business plan, where to purchase in bulk, how to develop a marketing strategy. They may also wish to provide members with technical training related to production techniques or crop marketing which has a direct impact on their income-earning capacity.

What are the **major issues** in ensuring the viability of an association?

- **Committed members** that perceive themselves as the owners of the organisation, are convinced that they are getting a fair deal from their association and that also have a personal financial stake in the success or failure of the association and that are willing to actively participate in the association in particular through regular attendance at meetings, committees, etcetera and that are prepared to accept less short-term gains for the sake of long-term organisational success (savings for investments). Limit voting power to members that actively fulfil the agreed membership rolls and make sure that those who do not do so no longer make use of the association's services relinquish the rights of membership. Limit the use that non-members may make of the services of the organisation, without them being offered the opportunity of becoming members.
- **Transparency; accountability; membership participation**. The organisation must never forget it belongs to its members and is accountable to them. The information required for them to perform their control functions must be provided and measures taken to ensure all the members have access to them. So long as membership is confined to max. 200 members, all decisions (including elections of functionaries and new investments) should be taken by all the members.
- **Leadership/management** that is trusted by the members and adequately operates the organisation and that combines entrepreneurial capacities with a strong focus on member's interests and needs. When working with managers that are not a member of the association, it is important to ensure that the structure and policies of the association do not discourage entrepreneurial activity and creativity, and that incentives reward entrepreneurial activity. Prevent that incentives are disproportionate to the performance of each staff member and the organisation as a whole.
- **Accounting, information/monitoring and reporting systems, that are functional and tailored to the actual scale and complexity of the activities**
- **Ensuring positive economic performance**, which may require a certain scale and efficiency of operations.
- **Maintaining a good balance between collective and individual gains, between operational success and member satisfaction**. Without collective gains the association can't make reservations for maintenance and replacement, grow to the required scale of operations and invest in new activities. Without individual gains for its members, the organisation is not realising its objectives and its members will lose their commitment to the organisation. Members expect services from the association which are relevant to their own enterprise and expect to obtain them at prices lower than the alternative suppliers. They also wish to continue to have control of the organisation's goals. But to become sustainable the organisation also has to grow and invest to reach operational efficiency. Hence, striking the balance between the two is essential for its continuity. Ensure that individual benefits are distributed fairly between members and broadly according to the use made of the organisation's services.
- **Adequate financing.** Voluntary work will play an essential role in the initial stages of an organisation. But few institutions can operate successfully for long on voluntary work alone and economic activities cannot be conducted without capital or incurring operating costs. An organisation will only be sustainable if it covers these costs from its own resources. There are several ways of financing an organisation, including: initial and annual membership dues (individual and/or per group), charging cost covering service fees for any transaction (fertilizer, seed delivery) or service (credit, technical assistance); re-investing profits from commercial activities; use of savings by individual members or groups; in-kind or cash grants (e.g. project funding) by third actors; soft or commercial loans by third parties. When speaking of contributions by third parties, loans are preferable to grants since they force the members to feel responsible for their business even at the initial stages. However, credit-driven approaches that ignore the savings side and the borrowers repayment and risk-coping capacities can do more harm than good (induce overspending and low cost recovery or crushing the organisation under debt). Matching loans to the ability of the members/the association to mobilize savings, preferably on a one-to-one basis, will do much better. Grants/subsidies preferably should be given in the form of revolving funds (seed, equipment) or investments in productive infrastructure that will enhance

the income earning capacity and efficiency of the organisation (and **not** to cover recurrent costs of operations). Limit the participation of investors in the economic results of the organisation to the extent of interest paid at current market rates. Adequately reward members' contributions in kind, shares, money etc.

- **Organisational culture:** continuous building the organisational culture with an emphasis on responsibility, openness, mutual respect and the "wealth of diversity" (gender, ethnicity, class); Stay away from party politics and actual community conflicts.

The tool 4.2.1 Framework for organisational analysis provides an overview of the main issues and important aspects of each issue, as well as related questions for discussion with the farmers.

The process of organisational development

Organisational development represents a continuous **learning process** in which an organisation from time to time **evaluates its achievements** and, when necessary, **re-adjusts its goals, its structure and operational mechanisms and/or the capacities of its staff / members and/or its organisational culture,** in order to maintain competitiveness, ensure survival as well as increase and improve delivery of benefits to its members.

The organisational change may include redefinition of objectives, changing the organisational structure and distribution of tasks, improvements in the management systems and incentives, changes in the organizational culture and the attitudes of the members or staff, strengthening existing and establishing new strategic linkages with other organisations, etcetera, in order to take away weaknesses in the functioning of the organisation, achieve higher levels of effectiveness and efficiency and to respond to changes in its environment (threats, new opportunities).

A planned approach to (participatory) organisational development places some demand on communication, facilitation and entrepreneurial skills of the facilitator. A process of guided organisational change normally goes through the following steps:

a. ***Facilitator and the group/organisation agree to engage in process of organisational strengthening***
The members of the group / organisation should demonstrate a clear interest to further develop their organisation and they should be prepared to seek consensus and to compromise. The leaders of the group/organization should be willing to lead the strengthening process with support of the external facilitators.

b. Diagnosis of the actual situation of the organisation: identification of strengths and weaknesses
The tool 4.2.1 provides a framework for the analysis of the actual situation in the producers' organisation(s) and the identification of main needs for improvement.
The tool 4.2.1 will be applied in the case we are working with one or more existing urban producers groups / organisations (already operating before the FStT project). We will then organize a special meeting between the FStT team, the leaders of the group/organisation (inner circle) and some less active members (the outer circle) to discuss the issues included in tool 4.2.1.
In the case that you are working mainly with groups of producers that have been brought together for the sake of the project (no formal or informal producer group existing before the start of the project) then the application of this tool at this moment for the analysis does not make sense and we will just focus at the organizational issues needed for the functioning of the MoPO and related business. However, the issues raised in this tool are important

reminders when establishing and building up new groups. The tool can also be used for a midterm check “where we stand now e.g. at the end of year one as an input for the planning of year two.

In case you apply Tool 4.2.1 it is important that the leaders of the organisation are involved in the application of this tool so that they can apply it in future themselves when need arises. The use of the tool is as follows:

- Bring together a group of people (say some 10-12 persons) including some leaders, some active members (inner circle) and some less active members (outer circle), involving men and women of all age groups for a discussion on the strong and weak points of the organisation in order to identify some areas for improvement which will be given due attention in the FStT project. Make sure that they have a number of hours available.
- At the start of the meeting explain the objective of the meeting (see above) and the procedure that will be followed (see below) and list the topics that you will discuss (write on a blackboard or sheet of paper so that you can refer to is when entering a new subject) and so that people know how the meeting is progressing. Explain that each topic will become clarified at the moment of discussion. Also explain that it is important to hear all views, that we can learn for different views on some topic and that the discussions on a certain topic not necessarily needs to arrive at a clear consensus.
- Then go through the topics and aspects one by one: mention the topic and discuss the related questions (indicated by Q’s. It is crucial that all participants have a chance to give their opinion (also women, shy ones and outer circle participants; of course the leaders will tempt to answer on behalf of all, but it you should also solicit reactions of the others (this however does not mean that you ask a reaction of all participants one after the other; this would turn the meeting in a very long and dry process; better solicit other contributions and encourage lively discussion / exchange of views; Note down the information received in the third column. Once all questions related to a certain **aspect** (in bold) are answered, you give your rating for this aspect in the last column taking into account all information received related to this **aspect**.
- Once completed all topics/aspects, calculate the average per topic (sum of scores per topic divide by the number of aspects under that topic). If you are two persons the second person can do that already for the last topic while the other continues the interview.
- Finally indicate the scores behind the list of topics and discuss this result: which aspects of the group / organisation apparently are functioning well or more or less (score 3 or 4) and which others are not at all or hardly so (score 1 or 2). Also indicate how these low scoring topics relate to the planned innovation project and why these need to be strengthened in order for the group to be able to do a successful project.

c. Further analysis of key problems, identification of possible solutions / improvements and planning the actions to bring about the desired changes

Once the main weaknesses have been identified, each of them is further discussed in order to understand causes and possible solutions and subsequently plan actions for improvement.

If working with loose clusters of interested but not yet organised producers, you take the organisational aspects of the MoPO as the starting point: the organisational capacities that are needed in order to implement the production, processing and marketing activities related with the MoPO, which were identified by the local team during the diagnosis and business planning phases.

If Tool 4.2.1 is applied, you review each of the low scoring topics one by one and ask the members what they think might be done to improve the situation. Use the aspects related to this topic in tool 4.2.1 to make them think about possible improvements.

First reaction often is a cry for more training, However, other actions might be more adequate then training to strengthen the organization, or need to be taken in combination with training. Three broad categories of actions (different strategies if you want) may be applied to strengthen an organisation, depending the type of problems/weaknesses encountered and their causes:

- **Strategic (re-)planning**: clarifying or making changes in the objectives of the organisation and in the strategic choices regarding the main "lines of action" to be applied, strategic alliances, funding modalities, etcetera
- **Organizational reform**: making changes in the management system, division of labour and responsibilities, decision making procedures, financial management, results monitoring, etc. seeking to improve the conditions for effective and efficient realization of the desired results
- **Capacity development**: changes in the selection of leaders/staff and/or enhancement of the knowledge and skills of leaders, staff and members of the organisation in order to enhance their capacity to realize better results;
- **Change in organisational culture:** changing the motivations and aspirations of the leaders, staff and members and the values and norms that orient their organizational behaviour and their social relations and patterns of communication.

Formal training through seminars and workshops is often not well suited to organisational development, where the need is more for on-the-job informal experiential training of a particular kind, although the former may support the latter.

Develop with the leaders of the producer organisation(s) a work plan with activities to strengthen the organisation in the identified fields. The leaders of the groups/organisations should see this plan as their plan and its implementation their co-responsibility.

Note A large number of handbooks and manuals are available on specific aspects of farmer groups and inter-group associations, cooperatives and collective enterprises. According to need such materials will be selected and made available by ETC-RUAF and through sharing of materials among the regional and local RUAF partners. The attached further reading suggestions already contain many suggestions on how to deal with various key components at different levels of organisations (basic groups, inter group associations, more developed organisations and cooperatives.

d. Implementation and monitoring of the planned changes; problem solving along the way

Implementation of the activities will be undertaken in close coordination between the local FStT team and the leaders of each formal or informal producer organization involved in the project. Part of these activities may be implemented directly by the group/organisation and its leaders (eventually with some guidance by the local facilitators) for example things like: better preparation of the agenda of meetings and clear minutes of decisions taken, better involvement of members (especially women) in main decisions, keeping accounts up to date and creation of a committee to check the accounts periodically, etcetera.

Other activities may be included in the sessions for the UPFS, especially issues that are closely related to the MoPO (e.g. establishment of a marketing committee, agreeing on certain operational procedures and related roles/functions/obligations, group savings scheme, etcetera)

Again some other activities may be organised as special organisational strengthening activities e.g. assisting in the clarification of the objectives and priorities of the group, training of leaders in management skills or of women producers in leadership skills, improvement of the bookkeeping and recording system, etcetera).

Since budget and time are restricted, it will be important that the activities are well chosen and directed to taking away the main weaknesses of the group/organisation.

The effects of these activities on the organisational development have to be monitored closely (see Guidelines 4.1.2 Outcome mapping and 4.1.3 impacts monitoring.

Where the changes that are introduced lead to new problems or conflicts, the local team has to actively assist the group/organisation.

Further Reading:

- The Group Promoter's resource book, FAO, Rome, 1994
- The group association resource book, FAO (1999)

- The Inter-Group Resource Book, FAO, Rome, 2000
- Norton, Patricia and Uphoff, Norman, "Group Enterprise Management: A Field Training Guide," FAO, 1990.
- The Group Enterprise resource book, FAO, Rome, 1996
- Gastil, John, "Common Problems in Small Group Decision Making," FAO, Rome, 1997
- The Evaluation of PPP and Inter-Group Performance, FAO, Rome, 1998
- Agricultural Cooperative Development: A Manuel for Trainers, FAO, Rome, 1999

TOOL 4.2.1: FRAMEWORK FOR ORGANIZATIONAL ANALYSIS

This tool enables the analysis of local producer organisations. The tool can be used at various levels of organisational development (organized producer groups, young associations and cooperatives, more developed organisations. For well established producer organisations more tools are needed (especially regarding financial situation and business management) for a good analysis.

Topic	**Aspects** (numbered/in bold; to be rated in last column on the basis of the information received to the questions) **and questions** (Q's) (to be discussed; the information received is recorded in the next column)	**Information received**	**Rating (on numbered themes only)**			
			1. Not at all	2 Hardly so	3. More or less	4. Very much so
Some key data	Q. Name and location(s) of the organisation/group; if an organisation that operates in more than one location: list all villages/neighbourhoods where the organisation has members, starting with the villages with most members. Q. Names of the main leaders and how to contact them Q When was the organisation established? Q Initial number of members (male/female members and number of households involved) Q Actual number of members (male/female members and number of households involved)? Q Legal status? Since when? Q Main assets of the organisation/groups (land, infrastructure, equipment)?		NA	NA	NA	NA

Objectives	**1. Have clear objectives been defined and are these shared by all members (male and female)?** Q. What is it that your group / organisation want to achieve (goals/expected results)? Q, Do all members know these goals and do they all agree with them? Which objectives are less well known? Why? Is that a problem?					
Strategies / Activities	**2. Have clear strategies ("lines of action") been defined to realize the objectives of the organisation and are all members agreeing with the prioritized lines of activity?** Q. What kind of activities does your group / organization undertake regularly? Q, Do all members agree with these priorities for action or does part of the members prefer to undertake other activities? If so, about what kind(s) of activities a difference of opinion exists?					
	3. Are the selected strategies effectively contributing to the objectives? Q**.** In your view: is the group / organization realizing well its objectives? In which aspects yes and in which no? Q. Do all lines of activity yield good results? Which line of activities is less successful? Does any line of activities have more costs than benefits for the organisation?					
	Average strategies					
Organizational structure	4. Have various functions/roles in the organisation been established and have related tasks, rights and responsibilities clearly been defined? Q. Which leadership positions or functions exist in your organisation? Q. Are the tasks, rights and responsibilities of each of them clearly defined or do sometimes confusion or conflicts arise? Q Do all members know well these tasks/rights/obligations of its leaders?					

	5. Are the selection criteria (required attitudes, knowledge and skills, gender) discussed before selecting leaders or staff and is the selection free from influence from political or religious leaders? Q: as 5					
	6. Are the various functions rotated regularly among the members? Q. Who are holding the various positions in the organisation at the moment? Q. Since when each of them is having this position?					
	7. Does the current management have the necessary expertise for all the various activities the organisation is running or wants to run? Q. Have the leaders of the organisation all the knowledge/skills they need; which are lacking? Q For which activities of the organisation they have enough knowledge/skills, for which not?					
	Average organizational structure					
Activity Planning	**8. Does the group/organisation have a clear procedure for the annual planning of the activities of the organisation and do all members well understand that system?** **Q**. Is the group/organization regularly planning its activities? How often, how / by whom? **Q**. Do all members know the activity plan?					
	9. Is the organization executing the agreed plans well and timely and do they have a high level of dedication and performance? Q. Are the planned activities in general implemented as planned and according to time schedule? What is going well and what not? Q. Are the leaders/staff of the organisation managing well the implementation process? What observations you have?					

	10. Is the group/organization capable to formulate specific projects (productive, income generating) without outside help? Q. Which **new** group activities have been discussed and prepared this year? Q. Who from outside was assisting in the preparation of these activities? Q Would the group be able to prepare such a plan without outside help?					
	Average planning of activities					
Resources manage-ment	**11. Has the organisation an effective system to mobilize financial contributions from its members?** **Q.** Do the members pay a membership fee? How much per year? Q. Do members participate in a savings system? Q Is the organisation asking a fee that covers the costs for all the services it renders to its members (like inputs, credit, training, use of equipment)? For which services the price is not cost recovering?					
	12. **Is the organization managing the funds, infrastructure and equipment of the organization in a transparent and effective way?** Q Which common properties (infrastructure, land, equipments, tools, capital) has the group accumulated to date? Q. Are the leaders managing these common properties effectively?					
	13. **Has been defined clearly how the benefits of the organisation will be distributed and do all members agree with these decisions?** Q Is clear to you for what the eventual profits of the organisation/group will be used? Please explain. Q. In case a decision on the use of such profit has to be made: how would such a decision been taken?					

	14. **Is the group's current financial status positive or has it clearly been improving over the past few years?** Q. Do you know whether the organisation/group has made a profit or loss last year? Q. Is the financial situation of the organisation/group improving or deteriorating these last few years?					
	15. **Are adequate reservations being made for maintenance and replacement of infrastructure/equipment and for future investments?** Q. What arrangements do exist to take care of the maintenance of joint equipment or infrastructure of the group? Q. Are any reservations being made for the future replacement of that equipment and infrastructure? Q. Are any savings being made for future new group investments?					
	Average resources management					
Administration / book keeping system	16. Has the organisation an effective administrative and bookkeeping system and are the books well maintained? Q. Which financial accounts ('books") and registers are maintained by the group? Q .Are these accounts always kept up to date and in a secure and trustful way?					
	17. Are annual accounts prepared and are these used when making decisions on future activities? Q. Are yearly annual financial accounts been made (assets/liabilities; profit and loss, etcetera)? Q Are the leaders/group effectively use these accounts to take decisions (e.g. to continue a certain activity or not; to define the price for a certain service to the members, etcetera)					
	18. Have clear internal control mechanisms been established? Q. What measures have been taken so that members can control the book keeping and the management of the funds and other assets of the organisation/group?					

	Q. Does such control function well? What yes, what not?					
	19. Is the financial administration and management regularly controlled by independent outsiders? Q: as 19					
	Average administration					
Monitoring system	20. Have clear indicators been defined to monitor the progress and results of the activities and is the collection of monitoring data well organized? Q. Are records maintained on group activities and results? What yes, what not?					
	21. Are monitoring data used to make decisions on future activities and to make adjustments in the objectives, the structure and functioning of the organization? Q. Are these records used to improve the organisation? What yes, what not?					
	Average monitoring system					
Capacity development	22. Has the organisation been active to raise the knowledge and skills of its leaders and group members? Q. What activities have been implemented to raise the capacities of the leaders? On what topics and which organisation assisted in these activities? Q What activities have been implemented to raise the capacities of the ordinary members of the group/organisation? On what topics and which organisation assisted in these activities? Q What are in your view the current needs for capacity development?					
	23 Does the organisation provide sufficient economic and other incentives to its functionaries and staff to maintain them motivated? Q. What kind of social and economic benefits do the members obtain from their participation in this organisation/group? Q. How do you see the importance of these benefits compared					

	to benefits the members obtain from other organisations?					
	Average capacity development					
Relations with other organisations	24. **Have good working relations been established with other organizations**? Q. With which other organisations your group / organization is regularly cooperating (farmers organisations, enterprises, governmental organisations, NGO's, credit institutions, etcetera)? Q. Which of these working relations yield good results? Provide concrete examples. Which not? Q Which relations are important but still lacking?					
Decision making / democracy / internal communication	25. **Are the procedures for decision making in the organisation clear and shared by all**? Q. same as 25					
	26. **Do leaders and staff communicate regularly with the members and inform them well on all important issues? Are regularly meetings been held?** Q same as 26					
	27. **Are women having a proportional share in leadership and staff positions in the organisation and in the benefits of the organisation?** Q1. How many men and women are there among the leaders and staff of the organisation/group? Q2. Do women share equally with men in the benefits of the organisation/group?					
	28. **Is the opinion of minorities respected in the organization? Exist tensions among the members due to differences in caste, ethnicity, age, gender, political or religious affiliation?** Q1 Is the opinion of minorities respected in the organization? If not, please provide examples Q2. Do any tensions among the members exist due to differences in caste, ethnicity, age, gender, political or religious					

	affiliation? If so, what kind of tensions? Please provide examples.					
	Average decision making					
Organizational culture	29. **Do the members of the organization share values and norms that support the development of a strong organisation** (like mutual respect, tolerance, individual responsibility, cooperation, self-management, gender equity)? Q1. Does the group have any joint values or norms for the behaviour of group members? If so, which ones? Q2. Do the members of the group listen well to each other and respect a different opinion?					
	30. **Does the organisation have an enterprising mentality: a strong willingness to make the organisation very effective and efficient**? Q same as 30					
	31. **Have members a strong confidence in their own capacities and do they easily accept certain responsibilities or tasks and do not depend strongly on a few leaders**? Q1. Is it easy to find group members that are willing to assume a certain task are it always the same that have to do the work in the group/organisation? If so, why is this so? Q2. Is there a strong difference in knowledge and skills between the current leaders and the other members or is it easy to find other members with the same capacities that could replace the current leaders?					
	32. **Do the leaders encourage sharing of information, critical discussion of their policies and experimentation with new ideas?** Q same as 32					
	Average organizational culture					

THEMATIC TEXT / GUIDELINE 4.3: GROUP SAVING SCHEMES AND REVOLVING FUNDS

1. Group saving schemes

Why encouraging group savings?

Saving means: setting aside some valuable resources for future use. Such savings can be done in various ways: in the form of cash savings or in the form of animals, stored agri-products or other assets that can be easily sold in times when the money is needed.
For individual households that want to realize some productive activity (individually or as a group) but that do have restricted access to sources of credit due to lack of collateral (often required by formal credit institutions) or very high rates of interest (as often asked by private money lenders) regular group savings schemes create the possibility to jointly undertake a group project or to provide more accessible loans to the individual group members on a rotational basis.
Also for groups that already have started some joint agricultural activities, regular savings are very important:

- without savings the enterprise will not have a buffer to get through periods of low income
- to keep the existing infrastructure and equipment well functioning (savings can be used to pay for maintenance and future replacement of equipment and infrastructure)
- to enhance production when market opportunities are available: enhancing the scale of operations requires an increase of the working capital (for buying seed, inputs, extra labour, etcetera) and eventually for investments in e.g. new equipment or to improve or extend the infrastructure
- a group that has accumulated some savings can use these savings as a collateral for a (group) loan with a formal credit institution.

Moreover, saving systems are an important means for group building since these require **group planning** and individual and group **discipline**, which are crucial skills for group success. Group planning is needed in order to establish group rules (for what uses we will be saving, how much do we want to save each period, where/how to keep the savings, how to maintain all group members informed about the capital saved and how it is used? Etcetera). Good discipline is needed, to ensure that the savings are made by all on a regular basis, which may be difficult since the day to day needs will press all members to use the available resources directly for their family needs, rather than to contribute it to the savings.
Moreover, the process of evaluation of plans proposed by group members in order to see whether these are a good basis for providing a loan to a group member (***rotating savings and credit scheme*****,** see below) or for investment of the accumulated capital (***group investment savings fund***, see below) is providing important **learning** moments for the group members. The discussions on the pros and cons of certain plans, the risks involved, the realistically expected results, etcetera, are important learning processes for all group members. The group members also learn a lot from having to register and administrate deposits and loans and repayments by the group members or the investments made and related dealings with bank accounts.

In this respect, a savings scheme matches well with the FStT innovation projects and the Urban Producer Field Schools, with their emphasis on organisational and technical learning. The thematic focus of the group savings would coincide with the MoPO selected by the group.

Sometimes **external funding** is donated are made to start a savings group, but this is by no means required to start up a successful savings system. If external funds are used to start up the group savings system (or later added to it) these in no way should replace the periodic savings by the group members but rather enlarge the fund to be able to provide more credit to members and/or to make more investments. If the external donation would replace the group contributions, the group discipline and feelings of responsibility are negatively affected, loans might not be repaid anymore and the sustainability of the whole system might be in danger. The group rules of the saving system should be adhered to at all times.

Different types of savings systems
Below we will discuss two main forms of group savings schemes:

a. the group investment savings scheme (savings are accumulated to make a group investment)
b. the rotating savings and credit scheme (savings are used to provide loans to members on a rotating basis)

In the context of FStT the first form is probably the most important, since it supports the sustainability and further development of the joint activities in production, processing and marketing of the MoPO (savings for maintenance and replacement of infrastructure and equipment, savings for an increase in working capital and for new investments). Training on the set up and management of this type of group investment savings should be included in the UPFS on all projects that include collective production, processing and marketing activities.
A rotating savings and credit scheme could be set up with the UPFS groups (or eventually at the level of the larger association these groups are part of) in case there are no other accessible sources of credit (other self help groups with a savings and credit system, local micro credit institutions, etcetera) and the MoPO requires credit at individual or household level rather than on group level (that is to say: there are no joint activities that need to be financed or maintained).

a. Group investment savings scheme

While rotating savings and credit schemes (see point b.) are a good means to cover the individual credit needs of the group members, these are of little value for the financing of joint activities. For that purpose we will need savings that can be used to finance working capital and investments for activities at group level and related maintenance and replacement costs.
So, rather than (or next to) a group savings scheme that is mainly used to provide credit to individual members, the group may decide to accumulate savings in order to be able to finance a joint investment (a group poultry or mushroom unit, processing equipment, means of transport to enable marketing and/of bulk buying of inputs, etcetera) or to ensure the replacement in future of existing infrastructure and equipment, or to create more working capital in order to be able upscale actual group enterprise activities. New investments can either be fully funded by the group or the group fund can be used as a means to access a bank loan (either as collateral and/or as a complement to the bank loan in the investment e.g. 50 bank loan / 50 own savings).
The group fund can be accumulated by **individual contributions by group members** to the group savings account and/or by adding **part of the profits made in the existing group enterprise** to the group savings account, rather than distributing these profits to the members. Often when group enterprises start to grow we see a tension between the board/managers wanting to reserve large part of the profits to new investments and growing working capital (with view on continuity of the enterprise and larger profits in future) while many group members (especially those with less feeling of “ownership” and less participation in decision making) will prefer more individual benefits at short term and will push for distribution of profits and/or lower prices for services provided by the organisation to its members (e.g. lower prices of collectively bought inputs, lower interest rate on credit supplied by the association).

The basis of the use of the accumulated savings would a jointly developed **investment plan**. This can be a rather simple and straightforward plan for a small investment and rather elaborate plan for a larger investment, but the basic questions are the same: in what will be invested? Why? What are related initial and recurrent costs and benefits? How the management and operation will be organized? How to monitor the costs/benefits? Etcetera. (See also the guideline 3.3 business planning)

b. ***Savings and (rotating) credit scheme***

Groups of poor urban farmers that trust each other well, may decide to create a savings and credit system. On a regular basis (e.g. weekly or monthly or after each harvest period) group members contribute a certain value to the group capital (this may be in kind –e.g. a certain amount of a product- or in cash. Part or the accumulated group capital than will be used to provide a loan to one or more group members, who will repay to the group within a certain period of time and with a certain level of interest, jointly defined by the group. Normally no collateral is asked for: the group pressure will ensure that the person that obtained a loan will repay to the group fund, since failing to do so puts him/her at risk of losing his/her savings as well as the future access to the group credit.

The group will define **rules** that define whether a member of the group and his/her proposed activity are seen as credit worthy. Normally, at least 2 other group members should be willing to take **co-responsibility** for the repayment of the loan. If the person who received the loan does not pay back timely, the other two persons will have to assume the repayment or all three persons are excluded from the group and will lose the deposits they had made up to date. The group rules also define for what kind of activities loans can be obtained from the group fund **(**for example a **thematic focus** on certain types of production). The potential borrower will present a realistic plan indicating what type of and quantity of production to be realized and the profit expected as a result of the planned activity. The group (or its credit committee) during its monthly meetings will evaluate whether the plan is realistic/achievable and whether its expected results are achievable in the local conditions and by the member concerned. Group rules will also be established that define under what circumstances a member may postpone or skip a planned saving or scheduled repayment of a loan (serious illness of an income earner, a death, harvest failure) or an insurance system is established to cover such incidences.

In order to maintain the value of the capital, the **interest** paid by the loan takers will be used to cover minimally the administration costs, the devaluation of the capital due to inflation and the risks (e.g. costs of late repayment). Preferably also the interest that could have been obtained if the loaned amount would have been deposited in a bank will be generated by the interest, in order to create a buffer for certain losses and unexpected costs (e.g. not repaid loans, theft, etcetera) and to pay some interest to the members on their deposits in order to make participation in the fund attractive. In Muslim countries alternative mechanisms should be found to cover such costs while interest is often culturally not accepted.

The **repayment period** will depend on the type of activity that is financed with the loan. Loans used to cover the costs of inputs in agricultural production will have a duration that corresponds with the growing season of the product(s) involved. For some crops or animals (spinach and broilers) this is fast and for other crops (fruits, pigs) repayment will take more time. .

Experiences in several countries show that repayment rates to local group savings and credit systems are high due to the application of group social pressure. For the proper and continued functioning of the savings and credit system, it is very important that there is good social cohesion between the members of the group.

Where micro finance institutes or self help groups with a rotating savings and credit system already exist, FStT / UPFS group members may be encouraged to become a client of such institute or member of such a group, rather than creating new rotating savings and credit groups.

Factors enabling or constraining group saving schemes *(based on FAO, see reference below)*

What then, are the basic factors that can contribute to group saving success? The success of any group saving activity will depend on a number of conditions. Some of these conditions include:

- ***Mutual trust; group homogeneity:*** Friends and neighbours, people of the same ethnic background, gender, age group, religious or social group, or those with similar incomes and expenses may be more inclined to form a savings group than those who have little in common. That's because they trust each other more easily and have similar potential to save. Forming a savings group with persons of very different backgrounds may be much more difficult and is not recommended. Trust building through regular meetings, group building activities, defining and maintaining clear group rules and transparent record keeping is of crucial importance for the sustainability of the savings group. Successful saving groups tend to be small rather than large since In smaller groups, there is more face-to-face contact, making trust building among members easier, and decision-making and collective learning more efficient.

- ***Clear common savings objective(s):*** Savings should be mobilized for productive uses (that will directly or indirectly increase members' incomes and their ability to save). The group can choose common goals, such as saving to buy fertilizer for all members or to save for investment in a joint packaging shed (investment fund), or each member of the group can choose his/her own savings objective, depending on his/her priority and capacity (relative credit fund).

- ***Clear group rules***. If all members know and agree the group rules that have been decided upon, there will be less conflicts and more commitment. Rules regarding e.g. periodicity and minimal level of savings by the group members, where/how to keep the savings, what sanctions will be applied if savings are not made as planned? Etcetera (see the Guideline for more details)

- ***Discipline:*** Saving requires discipline since it means withholding something for future use instead of consuming it right away. All group members must have discipline and agree on a common set of rules to follow. If the rules are not enforced, then all members suffer. Groups solve this problem by using peer pressure or punishing those members who do not follow the agreed rules. This may include a fine for late payment or for missing a meeting, and even expulsion from the group.

- ***Good and transparent record keeping*** Crucial in all savings systems is a good and confidential administration system. Members should easily accept and recognize what is agreed upon (records of group meetings) and what is registered (savings deposits, loans provided and their repayment, investments made, etcetera). Members of the group should have sufficient skills to understand all transactions in the administration system. Clear group rules and a well understood administration system and transactions are fundamental. Groups with higher literacy rates are better able to keep track of their savings and to maintain good records of the group activities and results. Group members should be encouraged continuously to improve their literacy and numeracy skills and their knowledge of the group savings registration system.

- ***Well planned investment opportunities:*** The savings fund will be moiré sustainable if the productive activities that the group undertakes as a group or individually (with a group loan) are successful (hence a better return to group investments made or/and a better chance that loans are repaid as planned) To succeed, such investments must be well-planned and profitable.

- ***Gender:*** In most cultures, forming mixed savings groups with male and female members is accepted. However, in some mixed groups, men can dominate decision-making and leadership positions, leaving women members few opportunities to develop and acquire leadership skills or benefit from common resources. Women savings groups can create a legitimate opportunity for women to meet and work together, and gain leadership skills. Separate sub-groups of men and women can be practical as long as both sides are aware of each other's opinions and activities and do not enter into conflict with each other. Raising awareness about gender issues with men is as equally important as empowering women.

- ***Health*****:** Diseases, such as HIV/AIDS, malaria, and disabilities reduce a household's capacity to save or to repay a loan. These will affect a group's saving capacity. Therefore, groups should take careful measures to safeguard the savings of all members e.g. by starting an insurance scheme (a savings fund that will help finance the healthcare or funeral costs associated with the illness).

- ***Inflation:*** Rapidly rising prices decrease the value of the money that was saved (the cash savings can buy less and less goods). Inflation may discourage people from saving in cash. If prices are rising, saving in kind may be a better option.

2. Revolving funds

Rather than giving out seed, animals, building materials and equipment for free to individual beneficiaries, in the FStT programme we prefer to grant these materials in kind or in cash (to buy these inputs locally) to the collective of producers, who will rent out the tools or equipment (e.g. a pump, a chart to transport harvest, a small 2 wheel tractor) to group members against a cash payment (and the collective will take care of its maintenance and savings for future replacement) or will give the tools, inputs or animals to (all or part of the) group members under the condition that they repay this to the collective in cash instalments or in kind (from the first yields or offspring). For example, if a group member receives a cow or a flock of poultry, the first calf or a certain number of chicks will be given back to the collective. The returned animals subsequently can be used to provide the same in kind loan to other group members or can be sold to others and cash be used for the financing of other investments at group or individual level. This makes the outreach of the project much bigger. It also enhances the sustainability of the project results and it enhances the "ownership" by the participants over the project resources and thus

their commitment to use and maintain these resources well (free gifts are rarely well maintained). It also generates a quick start for their own group investment scheme.

Of course the management of the revolving fund has to be organized well and persons involved have to be trained. Such a revolving fund requires the commitment of the group members and the factors that influence the success of savings groups also apply here (with the difference that the starting capital is donated).

The advantage of in kind repayments for poor participants is enormous since

a. The repayment will be made at the moment that the household has some usufruct of the loan (crop yield, off spring) and repayment is affecting less (harvest time)
b. The repayment can be done in kind and does not need to be converted first in cash value (and thus will not be influenced by fluctuating market prices). It is clear what you get and what you have to give back. No complexities with interest, inflation, etcetera.

Frequent problems with in kind repayment however include:

- Since the loan is given in kind and people are used to free distribution of seeds etcetera by projects, the participants may perceive these as grants. Some people that receive a loan in kind may even sell it. This may be due to a need to cover an emergency encountered by this household, due to wrong selection of the beneficiaries (not interested in the activity itself, just in its cash value) or due to lack of information about the loan (not gift) character of the materials received.
- Pests and diseases, natural disasters and/or mismanagement lead to low or no yields or off spring. Hence the ones who have obtained the loan in kind will seek to postpone their repayment or even consider themselves freed from that obligation. The same measures as discussed for the savings and credit systems can be applied to deal with such pressures (2 members that act as guarantees, rescheduling the obligation, insurance system).
- The repayment in kind tends to be of lower quality than the material obtained in loan. This is often the case since the seeds and animals distributed are often of an improved variety or breed and the second generation will not have the same purity. In addition, due to inferior management practices the quality may have diminished and many producers will seek to keep the best seeds, animals, etcetera themselves and give inferior ones back to the collective.
- Ownership of the fund is not clear (is it still from the donor organization, from the project or assisting NGO, from the farmers that manage it, ….?). If it is not clear that the group collectively owns the fund, the commitment to repay will be low and the management of the fund will be sloppy making that it will be hardly revolving at all.
- Difficult to finance the administration/management costs of the fund: since no interest is applied.

Such problems can be prevented/reduced by:

- Close involvement of the groups in the creation of the fund and the establishment of its rules
- Ownership and management should be clearly defined before the start, as well as its rules and sanctions
- Adequate training in use of the seed, materials or animals provided as an in kind loan.
- Constant monitoring; Group directly takes corrective measures when a member does not take proper care for and use of the materials supplied (or sells them). Timely corrective actions are crucial to prevent bigger problems later.
- And the other measures for success mentioned when discussing informal savings and credit systems
- Combine the revolving fund with a savings component (e.g. first savings to a certain level or during certain period before the loan in kind can be obtained or before one can make use of the equipment pool) so that participants have something to lose if they don't live up to the agreed rules

For each type of in kind loans specific loan conditions and procedures may be worked out. For example, to maintain a good quality of the returned animals, Heifer International applies the rule for larger animals that the second offspring **and the original** animal (which is often of an improved breed) is returned to the collective. For materials and equipment, the project may define a certain level of subsidy (will hundred percent be returned or repaid or will there be a certain subsidy and will they only have to return part of the (value of the) materials; will the repayment be in cash or kind, etcetera.

Further Reading

Ji-Yeune Rim and John Rouse *The Group savings resource book*, FAO Rome 2002 (ftp://ftp.fao.org/docrep/fao/005/y4094E/y4094e02.pdf)
Hugh Allen and Mark Staehle *Village Savings and Loan Associations, Field Operations Manual,* VSL Associates, 2006 (http:/ www.microfinancegateway.org/content/article/detail/33498 press: view this document)
Johnson, S. & Rogaly, B. 1997. *Microfinance and Poverty Reduction.* London, Oxfam.

Micro-finance websites:

http://www.microfinancegateway.org/section/library/
http://www.gdrc.org/icm/index.html

ACRONYMS

CFF	-	Cities Farming for the Feature
CSA	-	City Strategic Agenda
CSP	-	City Strategic Plan
FFS	-	Farmer Filed School
FStT	-	From Seed to Table
IPM	-	Integrated pest management
IWMI	-	International Water Management Institute
M & E	-	Monitoring and Evaluation
MoPO	-	Most Promising Option
MPAP	-	Multi-stakeholder Policy formulation and Action Planning
MSF	-	Multi-Stakeholder Forum
NGO	-	Non Government Organisation
OJ	-	Outcome Journals
OM	-	Outcome Mapping
RC	-	Regional Coach
RUAF	-	Resource Centres on Urban Agriculture and Food Security
SMART	-	Specific Measurable, Appropriate, Realistic, Time-Bound
UA	-	Urban Agriculture
UPFS	-	Urban Producer Field School
UPG	-	Urban Producer Group
UPO	-	Urban Producer Organisation